HOMESTAKE MINING: GOLD WILL SHINE AGAIN

THE LEVERAGED BUYOUT THAT SAVED SAFEWAY

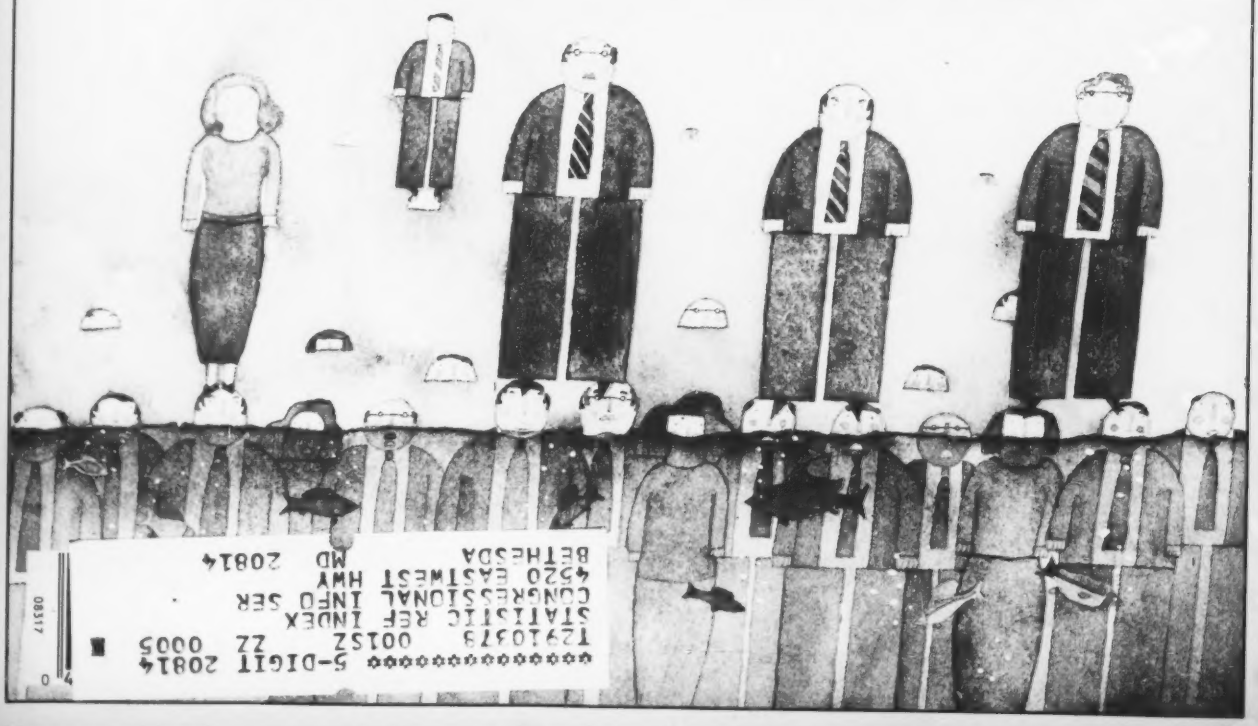
WHY WARREN BUFFETT THINKS EARNINGS REPORTS LIE

NOVEMBER 12, 1990 FOUR DOLLARS

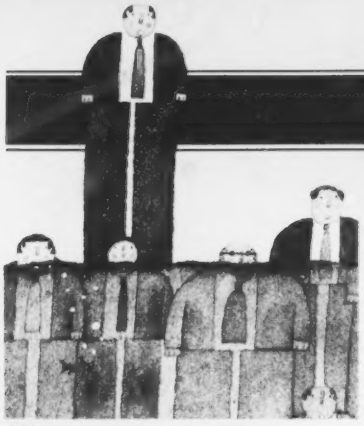
Forbes

THE 200 BEST SMALL COMPANIES IN AMERICA

HOW THE SMART ONES PLAN TO STAY AFLOAT



Forbes



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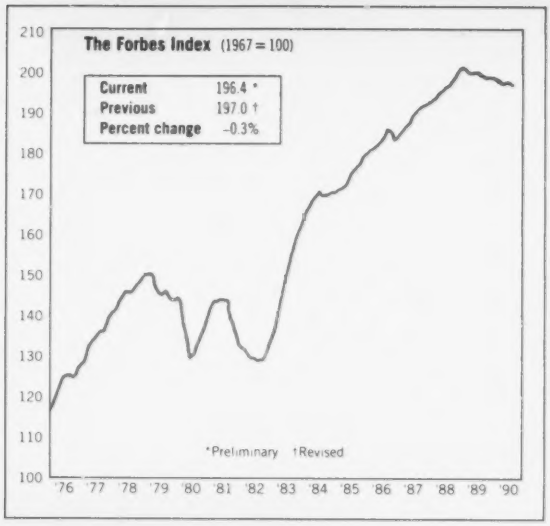
The Forbes Index



The economy is down but not out. September retail sales were up 1%; industrial production increased 0.2%. But, with higher oil prices, the U.S. trade deficit hit $9.3 billion in August. Prices were up sharply at both the wholesale and retail levels in September: the Producer Price Index up 1.6%, the Consumer Price Index up 0.8%. This marks the largest 12-month increase in the cost of living since July 1982. Initial unemployment claims rose 6%. These and other figures sent the preliminary Forbes Index for September down 0.3%, following a similar drop in August.

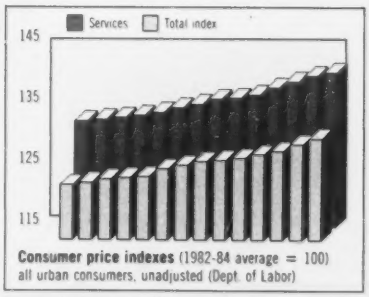
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.0%
Auto sales year to date vs. 1989[1]	Ward's Automotive	-4.8%
Index of leading indicators August vs. July	Dept of Commerce	-1.2%
Trade balance 12 months ended August 1990	Dept of Commerce	-$100 bil
Producer price index September vs. 1989[2]	Dept of Labor	5.9%
GNP 2nd quarter vs. 1st—annualized growth	Dept of Commerce	0.4%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	3.0%

[1]U.S.- based manufacturers, excludes imports, as of 10/10/90. [2]Finished goods. [3]August 1990.

Index Components

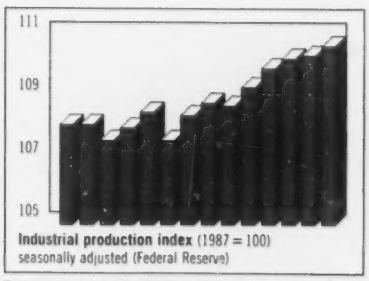
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

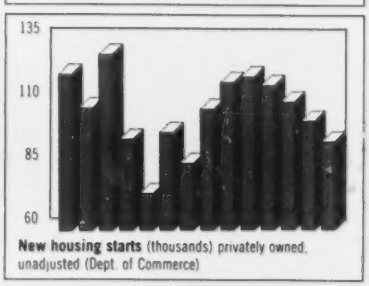


Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)

Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)

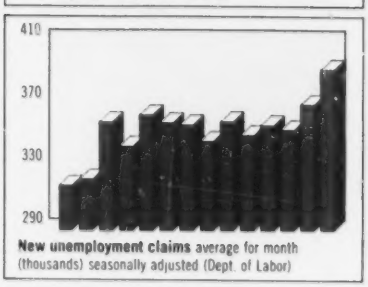


Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)

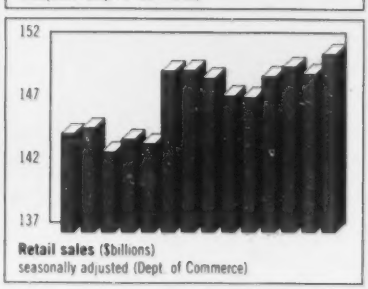


New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)

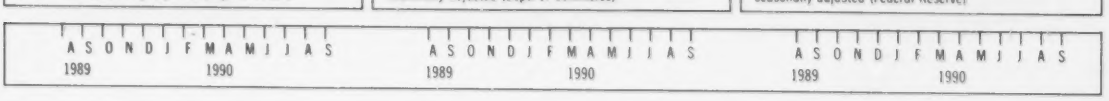


New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)



Forbes

Brussels' Eurocrats are trying to decide whether to protect the European Community's car market, or to protect it heavily.

The unacceptable face of protectionism

By John Marcom Jr.

WILL THE STRATEGIES proposed by Jacques Calvet, the smiling fellow to the right, be adopted to fight Europe's approaching car wars? If so, that would spell bad news for anyone who thinks Europe will be a freer market after 1992.

Calvet is president of France's Peugeot S.A. With sales in 1989 equivalent to more than $30 billion, Peugeot, which also makes Citroën cars, is Europe's third-largest car company (after Volkswagen and Fiat). It earned $2 billion last year, not solely because it makes good cars, but also because France has built a thick wall around its auto market. Japanese imports are limited to 3% of France's sales of 2.3 million cars a year. In Spain, Britain and Portugal, too, the Japanese market share is limited; in Italy, where Fiat has great clout, the Japanese are capped at 1%. In countries where Japanese cars are not restricted, their market share is far higher, ranging up to 30% or 40% in small markets like Ireland or Norway.

In theory, quotas like those the French and Italians impose aren't supposed to survive the European Community's 1992 program to forge a 12-nation open market. In practice, Brussels' bureaucrats are having a hard time figuring out what to do about Japanese cars. This dithering has given Calvet and other hard-line European protectionists room to maneuver.

Last month, in Paris, Calvet laid down a protectionist agenda that was

Agnes Bonnot/Vu

Peugeot S.A. President Jacques Calvet
His protectionist agenda is tough, even for a Frenchman.

severe even from a Frenchman. Calvet's basic demand: Maintain a 10% quota on Japanese cars at least until 2002 throughout the common market, with explicit continuation of tighter limits in countries like France.

Calvet also says Japan must not build any more production capacity in Europe, period. He charges that Britain—where Nissan, Honda and Toyota have a growing manufacturing presence—is becoming a "Japanese aircraft carrier," or even Japan's "fifth major island."

In Calvet's view, it seems North America could become the sixth island: Calvet also wants to add Japanese cars built anywhere else to the quota. This could come as a shock to the people of Marysville, Ohio, from where Honda Motor Co. plans to begin shipping station wagons to Europe next year. At current rates of exchange and levels of manufacturing productivity, many models of Nissans from Tennessee and Toyotas from Kentucky would probably also be price-competitive in Europe, if the Japanese dared to bring them in.

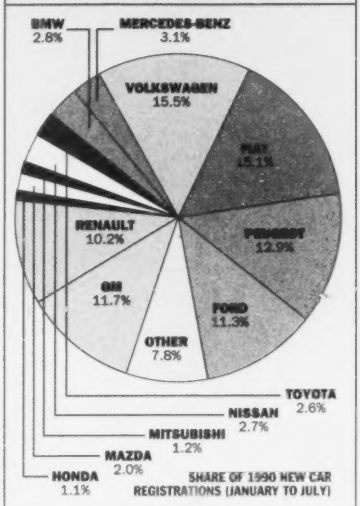
While Calvet's proposals may not carry the day, no one in Brussels is talking about free trade, post 1992, in cars. "What they [Brussels' Eurocrats] are going to do opens a new dimension of gray-area measures," says a concerned trade expert at the Paris-based Organization for Economic Cooperation & Development. "This element is strange and in many ways completely contradictory to the thrust of EC 1992."

The EC's original idea was to tell Tokyo to limit sales of cars imported from Japan for five years after 1992, reportedly to 9% of Europe's market of 13.5 million cars a year. In addition, Tokyo would agree to cap market share for its made-in-Europe cars to around 10%. The latter limit recognizes that Honda, Nissan and Toyota are investing billions to build plants, mostly in Britain, that could be making nearly 1 million cars a year by the mid-1990s. Europeans figure Americans made a big mistake in letting Japan's "transplants" capture some 20% of U.S. domestic car production.

European protection would also shield the big European operations of GM and Ford. But U.S. Trade Representative Carla Hills has already warned that EC measures "should not inhibit" sales of U.S.-built, Japanese-nameplate autos. The Eurocrats will probably rely on complicated assessments of "local content" to decide what's Japanese and what isn't. But is a Rover with a Honda engine British? Are Fords built by Mazda in Michigan American?

A big enough slice

Quotas in some markets have kept Japan's slice of Europe's car market to about 10%. Many in Europe figure that's plenty.



Source: Volkswagen Group

Why do Europeans, who have had years to watch Japan's carmakers invade the U.S. and to revamp their plants, resist so stubbornly freer trade in cars? Because they still have much to lose. James Womack, Daniel T. Jones and Daniel Roos, authors of a study on the auto industry's future (published as *The Machine that Changed the World*, Rawson Associates, $22.50), doubt more protection is the solution but make it clear that closing the market has a certain rationality. Europe's carmakers, they write, "are much farther behind [the Japanese] than the Americans were in 1980—off the pace by a factor of three or four in many countries in terms of fundamental productivity."

Rolling out this fall, as if to fuel rivals' fears, is the British-built Nissan Primera. It has been hailed by motoring critics as Nissan's first credible challenge to midmarket stalwarts like Ford's Sierra or Peugeot's 405. Nissan ads running in European English-language newspapers and magazines hail a "performance car built for the country called Europe."

But will there be a country called Europe? Not if Jacques Calvet and the continent's other hard-line protectionists carry the day. And that's a pity. A cartelized, walled-off European auto industry would deal a self-defeating blow to the world's trading system, and strike a disturbing counter note to the ebullience and euphoria that has been the theme, until lately, of 1992. ■

Sometimes the best relationships are based not on marriage but on living together. Consider Inland Steel's profitable coupling with Nippon Steel.

Don't merge, joint venture

By Steve Weiner

THIS PAST APRIL, Inland Steel Industries' future began flowing out the door of its new cold-rolling mill. The 200-acre plant, called I/N Tek, is in New Carlisle, Ind., about 65 miles east of Inland's Chicago headquarters. The plant is 60% owned by Inland, with the balance held by Nippon Steel Corp., the world's largest steelmaker.

Steel coils an eighth of an inch thick and 65 inches wide come in one end of a 3-mile-long line and are welded into a river of steel that, at the opposite end, has been flattened, shaped, cleaned and treated to precise customer specifications. The premium-quality steel can be used in every-

Many of the firms on this year's list of the 200 Best Small Companies are taking a contrarian stance when it comes to managing their businesses in next year's uncertain economic climate. As the recession builds, those companies with the least leverage on their balance sheets are talking opportunity.

Bring on the flood

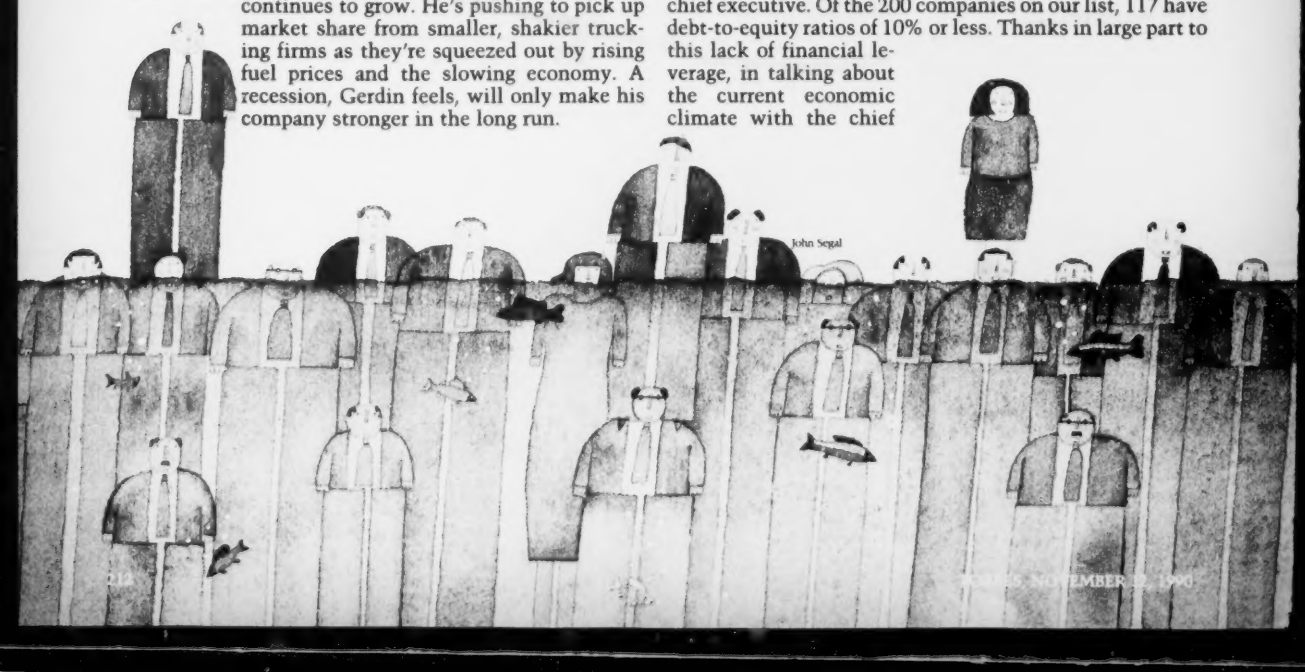
By Fleming Meeks

RUSSELL GERDIN HAS NEVER believed in carrying long-term debt. "In good times, maybe we don't look so smart," says the chief executive of Coralville, Iowa's Heartland Express, a $48 million (1989 revenues) trucking firm. "But now we do." In fact, Gerdin, a 25-year veteran of the trucking industry, has looked pretty smart to FORBES in good times and bad since his company went public in 1986. His conservative fiscal strategy has helped land Heartland on our list of the 200 Best Small Companies in America four years in a row.

And even as the economy staggers, Gerdin's business continues to grow. He's pushing to pick up market share from smaller, shakier trucking firms as they're squeezed out by rising fuel prices and the slowing economy. A recession, Gerdin feels, will only make his company stronger in the long run.

Which isn't to say that the 49-year-old Heartland chief is taking a glib view of the economic downturn. While major customers like Kellogg Co. and Whirlpool Corp. continue to give him steady business, Gerdin is playing things cautiously. Instead of placing a new order for trucks in October—he had planned to increase his 525-truck fleet by 20%—he's waiting until December to see how well business holds up in the fourth quarter.

Heartland Express, ranked 23rd on our list of the 200 Best Small Companies in America, is hardly alone, in either its pristine balance sheet or the optimism of its chief executive. Of the 200 companies on our list, 117 have debt-to-equity ratios of 10% or less. Thanks in large part to this lack of financial leverage, in talking about the current economic climate with the chief



executives of over two dozen of the top Up & Comers, one word—"opportunity"—kept coming through.

Take Francis Reed, chairman of Boston Acoustics, in Lynnfield, Mass. Ranked 51st on our list, Boston Acoustics (fiscal 1990 revenues, $26.5 million) makes high-quality stereo speakers. That's a tough business to be in when consumers start cutting back spending. But while Reed is quick to concede that specialty hi-fi products "are the leading edge of discretionary purchases," revenues and profits at Boston Acoustics are up 20% through the second quarter of fiscal 1991.

How has he managed that? Reed says he learned a few lessons from the 1981-82 recession that he began reapplying last year.

Reed, 57, founded Boston Acoustics in 1979, after being fired, following a dispute about strategy, as vice president of sales and marketing at Advent Corp., the now-defunct maker of speakers and big-screen TVs. In 1981 he noticed that competitors, including his former employer, were increasing wholesale prices to compensate for lower sales volume. Reed countered by dropping wholesale prices on average by 10% and bringing out a surprisingly high-quality pair of $150 (retail) speakers. (His original product was a $750 pair of speakers.)

With a nasty recession on, stereo stores, which were struggling to sell high-priced speakers, immediately opened up shelf space for the Boston Acoustics line. The company's revenues jumped over 60% in fiscal 1982, to $5.6 million, and profits rose nearly 40%, to $337,000. Since then, the company has grown at a 22% compounded rate, and net margins have doubled, to over 12%.

"What market share you gain in adversity," notes Reed, "you maintain when things turn around."

As the current recession builds, Reed, who began noticing a softening of orders for the company's car stereo speakers (over one-third of revenues) in mid-1989, is attacking on several fronts. Since last fall he has sped up the introduction of new products to try to win favor with retailers, introduced an inexpensive ($150 a pair) line of speakers and offered lucrative financial incentives to his rep firms to increase sales.

Like Heartland Express, Reed's Boston Acoustics has appeared on our list every year since going public in 1986. Also like Heartland, Boston Acoustics is debt-free. "In good times, cash is not a commodity that is so expensive," says Reed, whose company is sitting on a $6.5 million cushion of cash and securities. "But right now, when you've got cash, you can get better delivery dates, and you can get products at cheaper prices. You have more command of the supply side of your business than in real great times."

Even in the mid-1980s, when leverage was king, the best small companies steered clear of borrowing. In 1988, at the peak of the borrowing frenzy, 106 of the companies on our list were virtually debt-free. One should, of course, remember that there is a tautological aspect to this argument: In compiling the 200 Best Small Companies list, our statisticians screen out companies with more debt than equity. As a result, we've never tracked highly leveraged small companies, figuring it is quite an achievement to produce a consistently high return on equity without resorting to heavy debt.

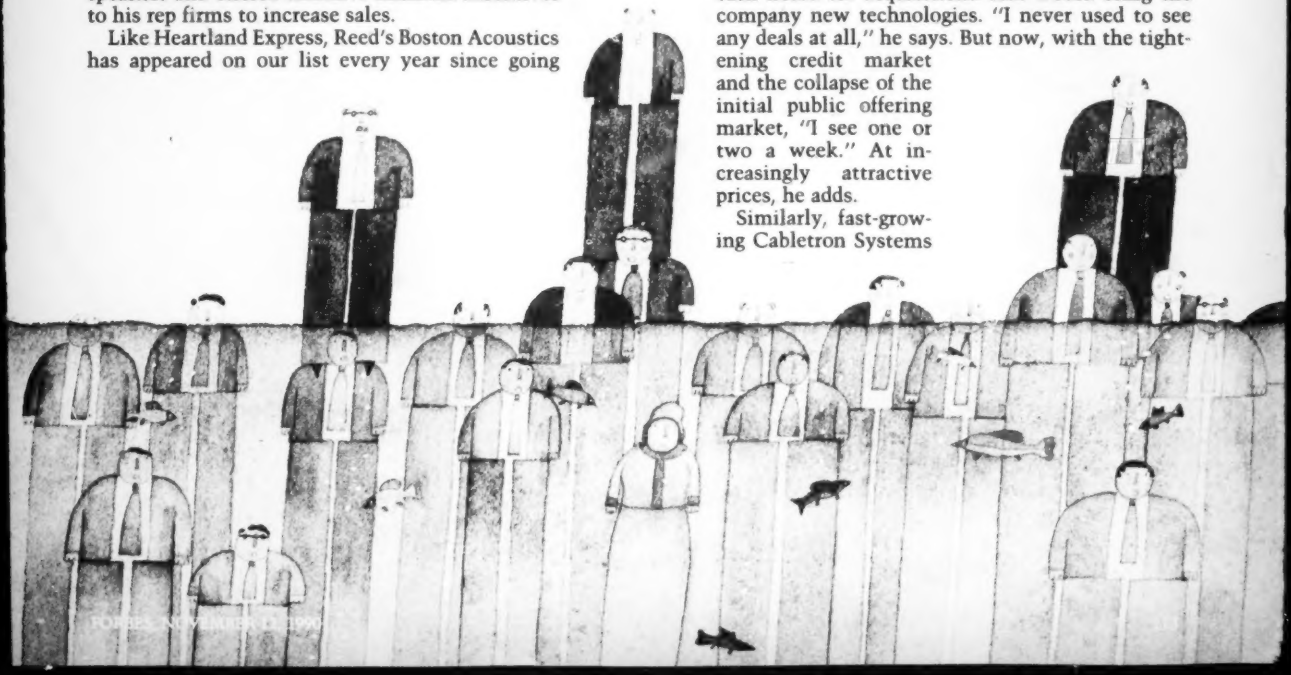
None of the chief executives we spoke to said they were thinking of borrowing more to take advantage of down-cycle opportunities. John Adler, chief executive of Milpitas, Calif.-based Adaptec, Inc., is a good example. Adaptec, number 178 on our list, is a maker of microchips and computer boards that control the input/output functions of high-performance microcomputers and peripherals. Since taking over the helm in 1985, Adler has carefully pared back the company's debt load. Says he: "We're technologically aggressive and fiscally conservative."

With $2 million in long-term debt and $52 million in cash and securities, Adaptec, which earned $13 million on revenues of $109 million in fiscal 1990 (ended Mar. 31), has stepped up research and development from 9.2% of revenues last year to a current 10.5% of revenues.

"That's where we want to bet the farm," says Hungarian-born Adler, 53, who spent 22 years with IBM and Amdahl Corp. before coming to Adaptec. "We're willing to pay almost any price for a quicker time to market."

Adler is also considering using some of his substantial cash hoard for acquisitions that would bring the company new technologies. "I never used to see any deals at all," he says. But now, with the tightening credit market and the collapse of the initial public offering market, "I see one or two a week." At increasingly attractive prices, he adds.

Similarly, fast-growing Cabletron Systems



Bottom-fishing opportunities?

Here are 20 underleveraged companies from our list whose stocks have been hit the hardest in recent weeks. Will they bounce back stronger than their competitors?

Company	Stock price 8/1/90	Stock price 10/12/90	% chg	Est 1990 P/E
Penn Treaty American	23½	10	–57%	5.1
Adaptec	19⅛	9⅝	–50	5.0
MBIA	39⅝	20	–50	5.9
Adobe Systems	35½	18¾	–47	10.7
Cadence Design Systems	27⅞	14¾	–47	11.7
Home Nutritional Svcs	20⅛	11¼	–44	13.2
Nellcor	17⅝	9⅞	–44	8.4
Sierra On-Line	21	12¼	–42	7.4
GZA GeoEnvironmental Tech	10¼	6	–41	7.4
Analysts Intl	19½	11½	–41	7.9
Rollins Environmental Svcs	13	7¾	–40	16.5
Electronic Arts	12⅞	7¾	–40	8.6
System Software Assocs	23¼	14	–40	10.2
Harleysville Group	24	14½	–40	4.6
New Line Cinema	11¾	7⅛	–39	7.1
SafeCard Services	9⅞	6	–39	6.4
Melamine Chemicals	13¾	8⅜	–39	6.0
Technalysis	13¼	8¼	–38	8.5
Tennant	44	27⅞	–37	9.1
Medstat Systems	14½	9¼	–36	17.8

Sources: William O'Neil & Co.; Institutional Brokers Estimate System via Lotus One Source.

in Rochester, N.H. is pushing R&D hard. Founded in the proverbial garage in 1983, Cabletron, a manufacturer of local area network equipment and the number two company on our list, earned $22 million on revenues of $105 million last year. And an $84 million public offering last year more than wiped the debt off the balance sheet.

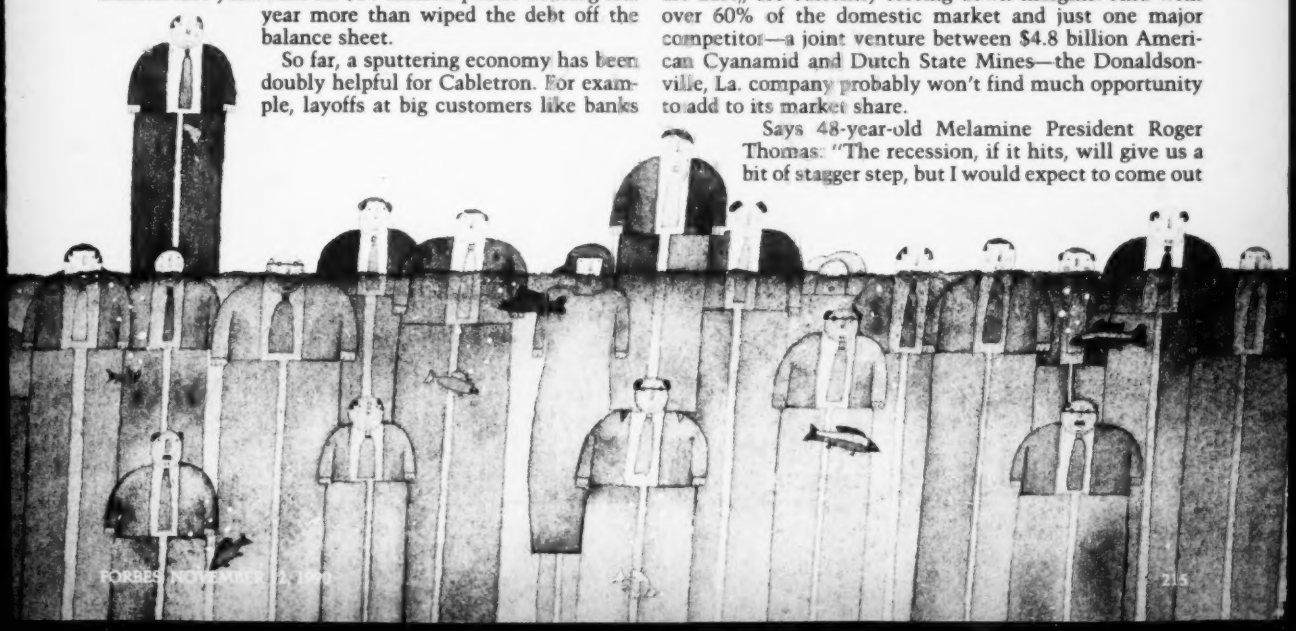
So far, a sputtering economy has been doubly helpful for Cabletron. For example, layoffs at big customers like banks actually can be good for business, as banks turn more to electronic networks to increase the efficiency of their pared-back staffs. And Cabletron has also gotten a boost from the uncertainty in recent years at Boston-area high-tech firms like Apollo Computer, Wang and Digital Equipment. Why? Because a number of engineers have chosen to jump to the upstart firm rather than face potential layoffs. Cabletron's 32-year-old chief executive, Robert Levine, almost gloats when he says: "The demise of the Massachusetts economy has been a tremendous benefit to us."

But then, like many of the upstart high-tech firms that grew rapidly through the last recession—only to flame out later—Cabletron need worry less about the current economy than managing its growth into the next stage *(see story, p. 226).*

Not every company we rank will prosper from a recession. Some will fall victim to their own missteps, while others will simply try to weather the storm. Melamine Chemicals, for example, the number one company on our list, might well see a falloff from its remarkable performance (five-year average return on equity of 167%). In fiscal 1990 (ended June 30) this little 82-employee company earned $7.6 million on revenues of $38 million.

Its product: a urea-based chemical called melamine used in automotive paints, appliance enamels and Formica, among other things. Lagging car sales and housing starts, combined with the higher price of raw materials (some of which are imported from the Middle East), are currently forcing down margins. And with over 60% of the domestic market and just one major competitor—a joint venture between $4.8 billion American Cyanamid and Dutch State Mines—the Donaldsonville, La. company probably won't find much opportunity to add to its market share.

Says 48-year-old Melamine President Roger Thomas: "The recession, if it hits, will give us a bit of stagger step, but I would expect to come out



much stronger." Thomas is counting on increasing use of his product as a flame retardant to pick up the slack demand by the middle of next year.

Number 167-ranked International Aluminum Corp., a maker of aluminum doors, windows and other building products, is already feeling the effects of a softening economy. The Monterey Park, Calif.-based company's revenues declined from $221 million in fiscal 1989 (ended June 30) to $212 million in fiscal 1990. Says 75-year-old Chief Executive Cornelius Vanderstar, "We're working hard to maintain our position in the market. And when the upturn comes, we'll be fired up to go." Vanderstar, whose company has only $3.4 million in long-term debt and $13.5 million in cash and securities, is also looking around for acquisitions, though he may hold off a bit longer; he expects prices have further to fall before the housing market turns around.

Juno Lighting, based in Des Plaines, Ill. and ranked 44th on our list, will most likely see a slowdown as well. But the $76 million (1989 revenues) manufacturer of commercial and residential lighting isn't battening down the hatches. Like Francis Reed at Boston Acoustics, Juno Chief Executive Robert Fremont says he'll use the lessons he learned from the 1981-82 recession as a guide.

"We introduced more products in 1982 than we had in the prior three or four years," says Fremont. "And the end result was that in 1983 and 1984 we went wild." The numbers bear him out. After an almost flat year in 1982, with revenues of under $15 million, Juno's sales jumped to $32 million in 1984. Profits jumped from a 1981 high of $1.8 million to $4.5 million.

Hoping the current recession will also end in strong cyclical growth, Fremont has been stepping up the introduction of new products and beefing up promotional spending. Fremont, whose company has $4 million in long-term debt and $27 million in cash and securities, not surprisingly volunteers that his plan is to "take advantage of the weaknesses of our competitors and to try to take market share." Through the first nine months of fiscal 1990, Juno's sales and earnings are up over 10%.

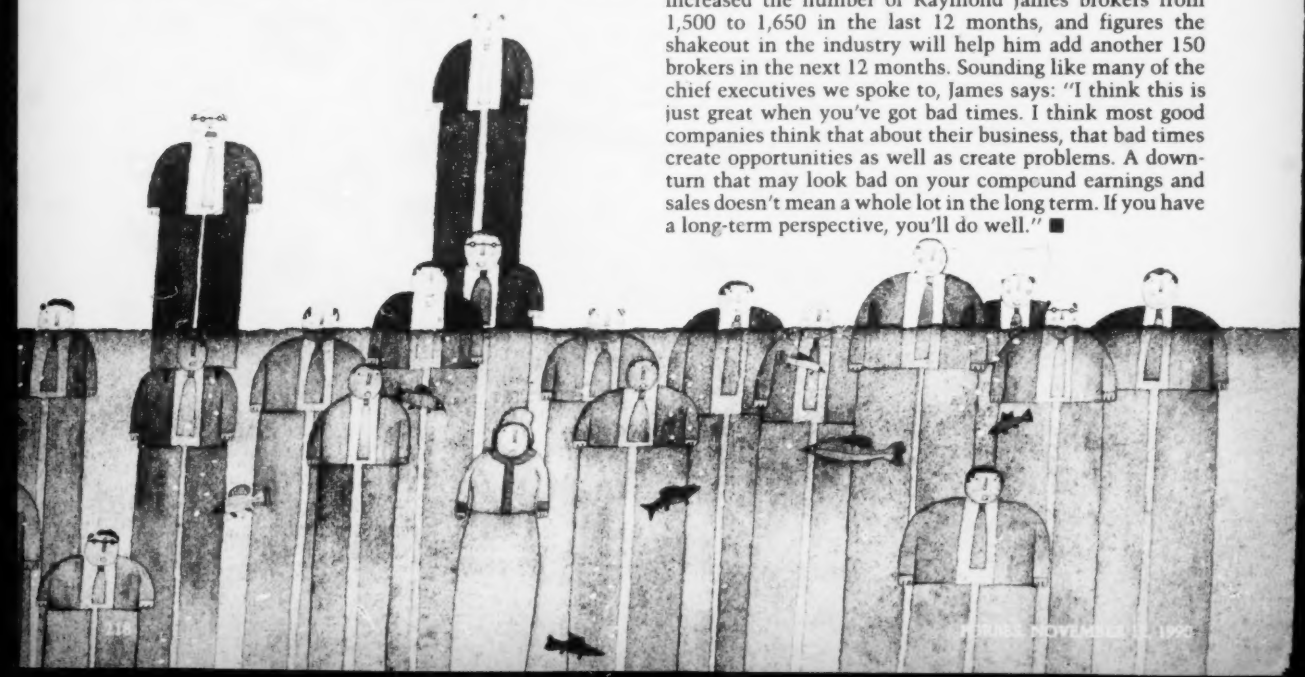
While most of the companies on our list are well positioned to survive and thrive, the stock market has punished the group much harder than the Standard & Poor's 500. In fact, they've done no better than the over-the-counter market as a whole. Between Aug. 1, the day before Saddam Hussein's invasion of Kuwait, and Oct. 12, when we priced the shares of the companies on our 200 best list, their value had fallen 25%—the same as the Nasdaq Composite Index of just over 4,000 mostly small companies. The Standard & Poor's 500 had dropped 15.6%.

This hardly seems fair, given the past performance of the top small companies. An analysis last year of the ten-year performance of the top 100 companies on our 1979 list revealed that they had outperformed the market by 73%. A $10,000 investment in each company—$1 million altogether—had grown to $4.8 million, while $1 million invested in the Standard & Poor's 500 grew to $3.2 million. If the current recession does not become a depression, there are probably plenty of enticingly undervalued opportunities on our list *(see table, p. 215)*.

That is certainly the feeling of Thomas James, chief executive of the St. Petersburg, Fla.-based brokerage Raymond James Financial, Inc., the 153rd-ranked company on our list. "I like times like these," says James. "They create good investment opportunities in the marketplace, and they get rid of a lot of the chaff in the industry. They make you focus on the basics."

Raymond James, which has a five-year compounded growth rate of over 30%, earned $12.4 million last year on revenues of $226 million. That's a net margin of 5.5% in an industry that averaged margins of 3% last year. Clearly, that kind of growth will be impossible to sustain in the current down market. Says James, candidly: "I don't know whether you're going to be giving me a call next year to ask me what we're doing to be one of the your best 200 small companies or not."

But then, James doesn't manage his business in order to make any lists. Looking to the end of the recession, he has increased the number of Raymond James brokers from 1,500 to 1,650 in the last 12 months, and figures the shakeout in the industry will help him add another 150 brokers in the next 12 months. Sounding like many of the chief executives we spoke to, James says: "I think this is just great when you've got bad times. I think most good companies think that about their business, that bad times create opportunities as well as create problems. A downturn that may look bad on your compound earnings and sales doesn't mean a whole lot in the long term. If you have a long-term perspective, you'll do well." ■



Bland as grits, steady as molasses—this is the homespun Texas story behind Luby's Cafeterias. Fast, cheap and no tipping.

The best little hash house in Texas

By William P. Barrett

DOWN SAN ANTONIO WAY there's an outfit called Luby's Cafeterias. The company grosses $311 million annually and runs 140 eateries, mainly in the Southwest. Nothing north of Oklahoma or west of Phoenix, and only one east of Little Rock. Some 80% sit in Texas, starting with the one a cannon-shot away from the mighty Alamo.

Cafeterias are a regional business. They aren't all that hot up North, where the clientele prefers sit-down waiter service. But down South cafeterias are quite popular, even with affluent customers. The food comes fast, it's cheap, and there's no tip to add to the bill. Texas and environs are full of both stand-alone cafeterias and such well-known chains as Morrison's, Furr's/Bishop's and Piccadilly. Each of these three chains, in fact, has more outlets than Luby's.

But none cuts a fatter hog. Since 1980 Luby's has generated a very smart five-year return on equity of 18.7%, earning the best little hash house in Texas the number 93 spot on this year's list of the 200 Best Small Companies in America. Luby's larger publicly traded cafeteria rivals average just under 15%. Its 10%-plus net margin is nearly three times that of these rivals. Luby's performance over time is especially amazing considering that the Texas economy for a while was lower than a snake in a wagon rut.

Sure, the shares, listed on the Big Board, have been dead in the water of late. But whose shares haven't? Still, at a recent 17½ a share, Luby's is trading at a slightly expensive 13½ times next year's expected earnings. But a big-time recession won't swamp the company in interest payments because it has no debt to speak of.

The honchos at Luby's—Chairman John Lahourcade and Ralph (Pete) Erben, president and chief executive—take a lot of pride in what they admit is a dull kind of business. "Our growth has been very steady," says Erben, 59, an ex-teacher who's been with the company since 1960. He served 18 years as a cafeteria manager before going corporate. He just took over the chief executive slot from Lahourcade, 65, who's winding down after 20 years with the company.

The irony at Luby's is that the person for whom the company is named, Harry Luby, was a transplanted Yankee. A Chicago native, he opened his first buffet-style lunchroom in Springfield, Mo. in 1911, with the unlikely moniker of New England Dairy Lunch. Two years after Harry moved to San Antonio, the first cafeteria flashing the Luby's name debuted in Dallas in 1929. As recently as 1980 the company had only 56 locations—only 2 outside Texas. During the

Executives Ralph Erben (left) and John Lahourcade ***Slicker than peeled cucumbers.***

1980s the company expanded rapidly, mainly using internal cash flow.

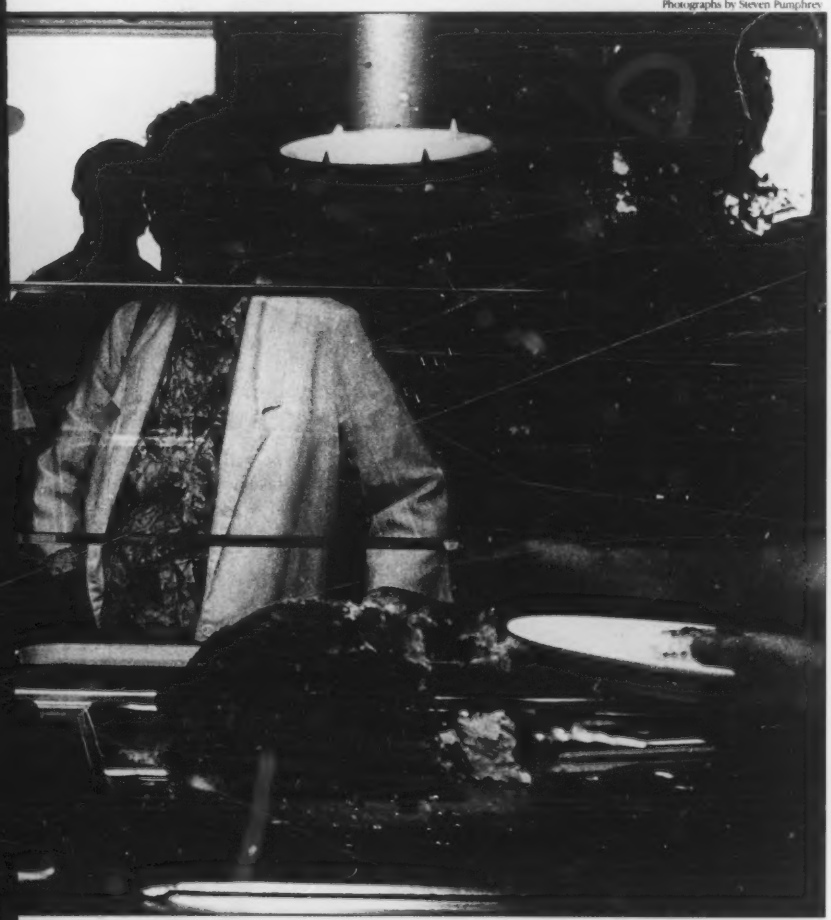
Nowadays, a typical Luby's is situated just off the freeway in the suburbs. It offers a large lunch and dinner menu; breakfast, Erben sniffs, just doesn't pay. The serving line contains more than 20 salads, 12 to 15 entrées, a dozen or more side orders of vegetables and maybe two dozen desserts—all made on the premises.

You have to be slicker than a peeled cucumber to squeeze out nice margins on an average meal tab of only $4.92. At Luby's, one way is by forking out only a half a cent per dollar of sales on advertising and promotion, compared with more than 6 cents for McDonald's. Folks know Luby's, and word of mouth doesn't cost a dime above preparing quality meals at convenient locations. In San Antonio they say you have to beat the Baptists out of church on Sunday to get a seat at Luby's.

The biggest factors behind Luby's success are clearly the individual cafeteria managers. Their income is totally profit-sharing. Base salary is zero; each gets 20% to 25% of a location's operating profits. Last year managers averaged $124,000. Vested with wide authority, they actually buy much of their own wholesale supplies rather than going through a central warehouse. Each cafeteria's inventory lasts for less than four days, well under the industry average.

Managers can also alter the menu as needed to meet local tastes. The Mexican food popular in San Antonio might not be stressed as much in, say, Oklahoma City. The outlet in Houston's swish Galleria shopping district is big on soup and salad. Managers are also free to curry local favor, perhaps by opening the shop in the morning to serve a free breakfast for the Rotary.

Photographs by Steven Pumphrey



Patrons in the serving line at a newer Luby's Cafeteria in San Antonio
Good margins on an average meal check of just $4.92.

Would-be managers, many fresh out of college with no food experience, work their way through the ranks. First they go through a company boot camp in San Antonio. They become salaried assistant managers and move around a lot. Next rank in the pecking order is associate manager, where they get about 10% to 12% of the local profits. If they cut it, they eventually get their very own outlets to manage.

These entrepreneurial managers know they must get the best employees and work to keep them. Compared with the restaurant business in general, turnover of Luby's nonmanagerial workers is low. One customer at the Luby's in the fashionable San Antonio enclave of Alamo Heights says the same lady has been pouring his iced tea for more than a decade. Same faces breed familiarity and repeat business.

Erben continually searches for new locations, especially when a cafeteria hits about $3 million in sales; that's a signal to him the area can support a new cafeteria. At Luby's, same-location sales in recent years have been flatter than west Texas and actually dropped 1% last year, despite efforts to develop a take-out business. But that doesn't much trouble Erben. He likes to open locations not too far from existing ones, to take advantage of that neighborly goodwill.

Erben hopes to open 14 new Luby's this year. One is going up right now very near Houston's fancy River Oaks neighborhood, home to a slew of The Forbes Four Hundred. "Affordable land, an excellent location," he says. The rich know how to stay rich. They eat cheap.

Someday, Erben figures, Luby's will invade the North. His route will probably be through the Midwest, parts of which have something of a cafeteria tradition and where snowbird retirees who winter in Texas will provide some of that free word-of-mouth. But first it will expand laterally. Last year Luby's hoofed into Florida. "Good cafeteria country," says Erben.

One thing's for sure. Erben and his crew don't try to throw a wide loop with a short rope. They do try to stick to what they know, and so far have done that brilliantly. ■

How Johnson Worldwide Associates has thrived selling distinctive sporting goods by stressing technology and lots of marketing.

More fun than selling floor wax

By Rita Koselka

FOR SHEER EXCITEMENT, there's nothing quite like the annual Crappie tournaments sponsored by Johnson Worldwide Associates, a Racine, Wis.-based maker of fishing equipment and other recreational products.

The crappie, as everyone knows, is a pan fish found lurking mainly in lakes in the central U.S. Each year JWA tags the fins of some 8,000 crappies and releases them in 42 lakes across the country. Each tag is worth a prize. The lucky angler who hooks one of the 42 fish tagged "Tanglefree Tom"—named after one of JWA's popular fishing reels—with a Johnson reel also hauls in $65,000.

This summer one sportsman snagged a Tanglefree Tom, and Terry Malone, 60, JWA's chief executive, couldn't be happier. It's just more favorable and relatively inexpensive marketing for the $232 million (1989 sales) company. JWA is number 47 on our Best Small Companies list, with a return on equity of 23% over the last five years.

Malone's strategy has been straightforward—find distinctive products, mostly in sporting goods, in obscure market niches, improve the technology, and market them aggressively. And JWA has found some pretty obscure niches: electric fishing motors; lightweight plastic canoes, tents and other camping equipment; scuba gear and swim fins; pre-inked hand stamps to replace the rubber stamps and ink pads found in almost every office.

Despite its product roster, JWA's performance has been far from quirky. Earnings grew a sprightly 14.3% last year, fed largely by new acquisitions. Like the other companies on our list, JWA has a strong balance sheet and over the last few years has aggressively paid down debt that it took on when it was spun off from S.C. Johnson & Son, the wax people, in 1986.

Bob Mahoney

Tentmaking at the former Johnson Wax unit
Developing distinctive products in niche markets.

In the early 1970s Johnson Wax was sucked in by the diversification fad and decided to build a recreational products division, based in part on the fact that the president, Samuel C. Johnson, was an avid sportsman. Johnson first bought a small fishing reel and electric motor manufacturing company based in Mankato, Minn. Though the division grew and prospered, it had difficulty competing for resources with the more powerful and profitable consumer and institutional products groups within privately held Johnson Wax.

By the mid-1980s Johnson had concluded that the leisure products group would function better as a separate company. In 1986 the family did a leveraged buyout for $66.7 million to take the division—renamed Johnson Worldwide—out from under the S.C. Johnson & Son mantle. A year later, providentially one week before the Oct. 19, 1987 market crash, JWA went public, selling 28.5% of the company for $15.50 a share, raising $25 million, which was used to pay down debt. A second offering of another 10.3% of the common followed ten months later. The stock recently traded for around 20 a share. The Johnson family's stake is 42%, although it has voting control of 72%.

JWA expects to earn over $15 million in 1990, on sales of more than $260 million, or nearly $2 a share. The original electric fishing motor company, Minn Kota Motors, which the company bought in 1970, now has sales of more than $80 million and about 70% of its market.

Other market leaders owned by JWA include Old Town canoes; Scubapro, a premium manufacturer of scuba equipment; and Plastimo, a major European maker of compasses, anchors and

Johnson Worldwide Associates' Terry Malone
Looking overseas for new markets and products.

other sailing gear.

Once he finds a small private company to purchase, Malone, who spent 28 years at Johnson Wax before taking over the recreational products group, tries to plug it into IWA's longtime distributors—including L.L. Bean—gives it money for product development and advertising, and lets it grow.

Last December, for example, IWA acquired Mitchell Sports, S.A., a fishing reel manufacturer based in Cluses, France. Mitchell is revered by serious U.S. fisherman for developing the Mitchell 300 reel in the early 1950s. But the company hadn't capitalized on the enormous popularity of that reel in the U.S. by associating its other products—including rods and other types of reels—with the famous older reel. So IWA has developed television commercials, new brochures and point-of-purchase displays to roll out an updated version of the Mitchell 300 reel.

IWA pumps about $5 million a year into research and development to keep distinctive new products coming. Its researchers spent eight years developing a new molded plastic composite for a relatively inexpensive, nearly indestructible canoe. And the fishing lure division has just come out with a processed-bait product made largely from real fish parts.

In addition, IWA cross-fertilizes its holdings by passing around new ideas and technologies among the units. Just introduced this year, for example, is an automated fishing motor that keeps one's boat putting along in a preprogrammed direction. That technology was borrowed from the marine products unit, which makes a similar product to guide large sailboats.

Like many of FORBES' best small companies, IWA is looking abroad for new growth—particularly in Europe and the Pacific Rim, where American camping and fishing products have a special cachet. It's also looking to expand by picking up new product lines. Malone is an avid skier. So don't be surprised if IWA's next acquisition involves a product that works well on the slopes. Followed, no doubt, by a ski tournament with big prizes. ■

Cabletron Systems' founders have built a very successful company. But their greatest challenges are still ahead of them.

Work in progress

By Ignatius Chithelen

CABLETRON SYSTEMS Inc. was actually started in a garage. That was seven years ago, in Rochester, N.H. Since then, the manufacturer of local area network equipment has grown into a $105 million (sales) operation that, in fiscal 1990 (ended Feb. 28), earned a remarkable $22 million. Its two still-young founders are both paper centimillionaires.

And its performance over the past five years—average return on equity of 52%—has landed Cabletron in the number two spot on our list of the 200 Best Small Companies in America.

But as the rise and fall of dozens of high-flying computer companies in the early Eighties instructs, Cabletron's greatest challenge almost certainly lies ahead.

The story starts in March 1983, when Craig Benson, then 28, and Robert Levine, then 25, started the company in Levine's Ashland, Mass. garage. Levine, an independent sales rep who sold wire and cable, had a customer who wanted 1,000 feet of specialized cable for wiring up a computer network.

Levine couldn't convince his supplier to sell him cable in lengths of less than 10,000 feet. Enter his friend and sometime customer Benson, a materials manager at Interlan, a supplier of local area network equipment. (Such networks connect personal computers so they can all share information and printers.) Benson convinced his friend that, among their various contacts, they could quickly unload the other 9,000 feet and double their money in the process.

So they bought 10,000 feet of cable for $30,000 in trade credit and hauled it to Levine's garage. There, during a lunch break, they cut off a 1,000-foot section to meet the order. They soon found customers for the remaining 9,000 feet of cable—and more. The two lads were in business.

Within a year, with Levine doing the selling and Benson handling the financial side on evenings and weekends (he didn't leave his Interlan job until late 1984), the company had ten part-time employees, mostly cutting and packaging cables. Revenues in the first year were a none-too-promising $100,000.

From selling wire, the pair quickly moved to installing networks. From there, they began designing and manufacturing equipment for the networks—including the parts that connect the PCs to telephones and to the high-powered computer that manages the data flow.

A typical Cabletron contract in the mid-Eighties might have been for cable, installation and equipment. But the most profitable part of the deal was a small box containing a circuit board that controlled information coming into and going out of each of the PCs on the network.

A network of 80 computers required 80 of these little boxes, at $250 apiece, or $20,000. And Cabletron's tiny engineering department designed a box that would not only control information input but would also help technicians diagnose problems with its connection into the network.

Cabletron priced its product 15% below competing products. On the strength of this new product, sales took off, from $4 million in 1986 to $25 million in 1988.

Then, in 1988, the company introduced what it calls a "smart hub," a sophisticated management system for networks. A smart hub might typically monitor 84 PCs on a network, allowing a technician to locate loose wires or faulty computers instantly, rather than searching from computer

Cabletron Systems' Benson and Levine
Not your typical high-tech nerds.

to computer for the problem.

This they priced at $37,000, plus a $4,400 annual service charge. In fiscal 1990 the hubs accounted for sales of $60 million, or more than half of Cabletron's revenues.

Levine and Benson hardly fit the nerdy image of high-tech entrepreneurs. Levine, whose weightlifter muscles bulge through his polyester shirt, likes to talk about being voted least likely to succeed in the class of '76 at Bancroft High School in Worcester, Mass. The son of a wire and cable manufacturer, he scraped through the University of Miami with a 2.1 grade point average, earning a bachelor's degree in business in 1980.

Brian Smith

"I frankly tell my customers I'm not a computer whiz," he laughs. "I take one of our engineers with me."

The more button-down Benson is no less irreverent. "I've got a real degree," he chimes in with a smirk after Levine finishes telling his tale of academic woe. (The son of a college professor, Benson holds an M.B.A. from Syracuse.) "I didn't go to some beer-drinking Sunbelt school."

Irreverent or not, their aggressive behavior has allowed them to catch the networking wave and ride it quite capably. Among the company's major customers: Harvard University, Boston University and Shearson Lehman.

"We entered the networking business just as it was about to take off," says Benson. "So you got business whether your service was good or bad." Indeed, since 1985 the market for local area network equipment has grown from $300 million to an estimated $7 billion this year.

Service was where Cabletron grabbed its initial toehold. Explains Levine: "When we started in 1983, you couldn't get cable in less than 90 days. We stocked in my garage and shipped it out in 48 hours."

By 1985 they had moved from the garage to New Hampshire, where they could find lower taxes and cheaper labor, and where manufacturing space rented at half the price of comparable space in the Boston area.

Low housing costs also helped attract hardware and software engineers from Route 128's stumbling computer businesses. In the last five years Cabletron's research and development department has grown from 5 engineers to a current 225.

And the company, which had previously focused strictly on the "ethernet" standard for local area networks (65% of the networking market), recently began shipping products for IBM's "token ring" standard, which makes up the other 35% of the networking market.

Being in the right place at the right time with the right product has provided Levine, now 32, and Benson, now 36, with a life not nearly so austere as Benson's office would indicate. Levine owns 36% of Cabletron's 26 million New York Stock Exchange-listed shares; they're worth nearly $220 million, on paper. Benson owns 29% of the company, a stake worth over $170 million. Each also sold over $20 million worth of stock in the company's $84 million initial public offering in May 1989.

But debt-free Cabletron, which has seen its stock price rise from 16 to 23 in recent weeks (giving it a market value of nearly $600 million, or almost 30 times earnings), could run into trouble sustaining its growth. Growth in demand for its computer board product—15% of revenues—is slowing. And Cabletron is still number two in the market, after Mountain Valley, Calif.-based Synoptics, in its hottest product line, the smart hub.

Benson concedes that they were two years behind Synoptics in getting to market with the smart hub but says Cabletron's R&D department has a new product that leapfrogs its rivals' technologies. Still, he admits that no one is really sure what direction the networking market might take next.

And Cabletron's financials point up a few danger signals. Selling costs rose 60% faster than its revenues in the first six months of this year. Inventories, too, at $33 million, seem high for a company in a rapidly changing market. Might not Cabletron be hit by a sudden fall in demand or by the introduction of new technology?

Levine and Benson think not. "We are like a bakery which doesn't care if there's demand for raspberry crullers or raspberry doughnuts," says Levine, speaking of the company's entry, in September, into the market for token ring network products. "We have the raspberry and the dough, so we can make either."

Levine is counting heavily on their management systems for token ring networks to propel the company's next stage of growth. Thus far the $800 million market for these boxes has been dominated by IBM.

"We are not engineers, and so we don't get wrapped up in the technology," says Benson. "We make what the market wants and not what our engineers might be interested in."

There's no question that the pair have made a great go of things so far. But now that they've built a $600 million (market value) company, the real challenge will be to maintain its growth. The Cabletron story is far from over. ■

Why is Bridgford Foods expanding in a recession? Allan Bridgford's reply is a tale of a man, his boy and a hot dog stand.

Family affair

By Christopher Palmeri

ALLAN BRIDGFORD knew he had a good product when the head of research at a competitor called and politely asked how Bridgford Foods Corp. kept its microwave hamburger buns so soft. "I said, 'You know that happens to be a trade secret,' " Allan recalls. The man asked if he could buy the recipe, or just the rolls. Allan declined, and, after a chat with brother William, resolved to step up marketing for Bridgford's two-year-old line of microwave burgers, roast beef sandwiches and chili dogs.

The unassuming Bridgford brothers—William, 59, is the company's chairman; Allan, 55, is president—take the food business seriously. Last year their Anaheim, Calif.-based food processing company sold $73 million worth of snack foods, luncheon meats, ready-to-eat sandwiches and frozen bread dough.

"We survive by making high-quality, niche products," says Allan. And by emphasizing service. Bridgford's lunch meats and sausages compete with the likes of Oscar Mayer, Hormel and Swift. But Bridgford's 110-person sales staff is able to get into supermarkets and convenience stores by stocking the shelves themselves. By contrast, Bridgford's big competitors generally sell through food brokers whose distributors merely drop their products on the stores' loading docks. Bridgford will even put price tags on the products at the plant and reimburse the stores for unsold items. "We do everything but sweep the floor," jokes Allan.

The Bridgfords, whose butcher father, Hugh, now 82, founded the firm in 1932, pare costs to the bone. The boys share a small, cluttered office just off of the plant floor of Bridgford Foods' Anaheim facility. From their desks, William, who heads up produc-

Bill Nation/Sygma

Bridgford Foods' Allan and William Bridgford
Putting up more signs. Hiring more hot dog salesmen.

tion, and Allan, who handles sales and marketing, can glance through a window and watch packages of salami drop from a conveyor belt. If one of the brothers steps away from the office, the other answers his phone. They have no secretary. "We can cuss all we want," says William.

The Bridgfords' austerity at the office is not the only way they watch costs. William monitors daily printouts from the company's six plants. The printouts tell him production efficiency in hours and in dollars for each of the company's 100-plus products. He proudly shows a visitor how he's able to match increasing Thanksgiving demand for Parkerhouse roll dough with supplies stored at a rented warehouse. "I've really grown to love computers," he says. As well he should. His wife, Diane, is the assistant manager of data processing at the firm, a job she was given in 1974, because, jokes William, "she was the only one who could spell computers." In all, ten family members work for the over-the-counter-traded firm, ranked 68th on our list of the 200 Best Small Companies in America.

Bill Nation/Sygma

Assembling sandwiches for the microwave
Soft buns are the secret.

Agile little Bridgford has never been bashful about bringing out new products. In 1962 the company was the first to market frozen bread dough, discovered accidentally when a Bridgford baker stored some already mixed dough in the freezer overnight. Next day he thawed it out, and it baked up just fine. After tinkering with the yeast—so the dough would still rise after being frozen for months—they sent the product to market. By being first, Bridgford has built up a brand-name presence in many regions—like Florida and California—that bigger companies have had difficulty cracking. These days about half the company's frozen dough sales (worth over $25 million a year) are to the restaurant and food service industry, a market where advertising is less important than sales relationships.

Not all of Bridgford's innovations have been winners, however. In 1980 the Bridgfords reasoned that since they already made dough and pepperoni, adding cheese and tomato sauce to create frozen pizza kits was a reasonable extension of their talents. Home pizza chefs would thaw the dough, toss it like pizza professionals, spread out the goodies and bake it.

It sounded great, but the product died in six months. "People didn't want to take time to defrost the dough," explains Allan with a shrug. "If you want pizza, you want it now."

Undeterred, Bridgford kept trying, introducing in 1988 a product line that should have far more staying power: microwave burgers, which it markets mainly in the Southwest. The company faces tough competition in the microwave market from the likes of Campbell's Souper-Combos, Hormel's New Traditions and J.R. Simplot's MicroMagic line of burgers, fries and even milk shakes.

How are the burgers? An informal test by FORBES found the Bridgford flame-broiled cheeseburger by far the tastiest. The *Las Vegas Review-Journal* even rated it ahead of stalwarts like McDonald's and Burger King. "The fun part about this business is making good things to eat," says William.

The Bridgfords' slow but steady approach has begun to pay off in the microwave line. For example, Campbell rolled out a microwave line of soup-and-sandwich (including burgers) combinations nationwide a year after Bridgford's basic burgers hit the shelves. But the soup giant recently discontinued 6 of its 11 Souper-Combo items, and it is reevaluating the rest of the line. Bridgford, on the other hand, launched its product in the Southwest and has been moving cautiously across the Sunbelt. Only recently has it extended the line to include other sandwiches. "We take one city at a time and don't waste our money," Allan says.

Asked how his company will deal with recession, Allan chortles: "Have you heard about the college boy who comes back to his dad's hot dog stand and says, 'Dad, don't you know we're having a recession, take down the sign, pull back, things are bad.' And sure enough, things got bad."

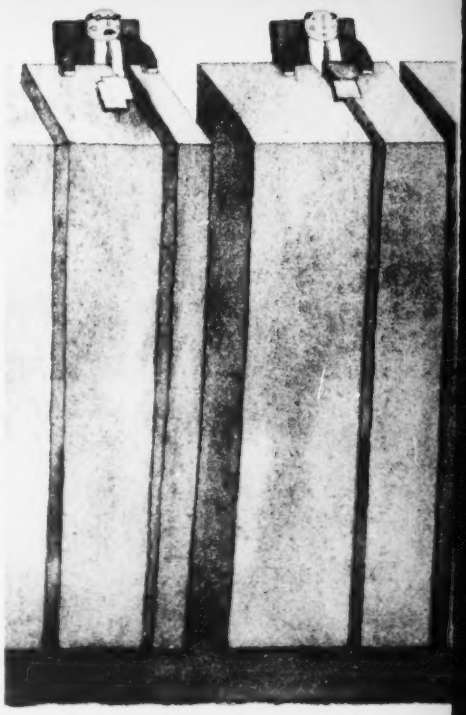
The Bridgfords are taking the opposite tack. They are putting up more signs and hiring more hot dog salesmen; in the past six months, they've upped their sales staff by nearly 10%. "We're not going to fall for the hold-back-and-wait strategy," Allan adds. "We advertise more and step up the sales effort in hard times, because we have a strong balance sheet [$3.2 million in cash and no long-term debt] and we know what everything costs."

The Bridgfords' folksy and aggressive management has pleased their shareholders. Last year the company earned $3.5 million, or 84 cents a share. And since 1985 its stock price has appreciated tenfold, adjusted for splits. According to William Blair & Co.'s Ronald Strauss, the only analyst who follows the stock, earnings should come in at nearly $1 a share this year. At a recent price of 15, the Bridgford family's 61% of the company is worth nearly $40 million.

The Bridgford brothers get offers all the time to sell out. But don't expect that to happen. A third generation is already being groomed to take over the company. Besides, William and Allan, who've never sold a share of Bridgford stock, are clearly having too much fun to quit. ■

Inside many big companies is an entrepreneurial company struggling to escape. Here are a few that did, and joined the ranks of the 200 Best Small Companies.

The great escape



By Joel Millman

OUR DIFFICULTY was not competition from other packaging businesses," says Marvin Ozley, chief executive of Sealright Co., Inc. The $190 million (1989 revenues) maker of cardboard ice cream containers and food packaging was acquired by Phillips Petroleum in 1964. "Our competition," he says, "was from Phillips' core business."

How did a tiny ice cream container maker become part of a giant oil company? Like many of the misguided acquisitions of the go-go Sixties, it probably seemed a good idea at the time. Phillips figured to sell the Kansas City, Mo.-based company the polyethylene resins that Sealright needed to make its containers.

Plus, Phillips had an idea to expand the market for its resins. Sealright would use the material to make plastic containers in place of paper to package dairy products. But dairies started making plastic containers on their own using a new technology, so Phillips had to shelve the project.

Worse, recalls Ozley, 56, a former Phillips chemist who joined Sealright's research and development team in 1966, the little company was often operating with one arm tied behind its back. "The petroleum business requires enormous amounts of capital," he explains. Phillips was spending most of its capital on exploring oil in the North Sea and Alaska, which meant that Sealright's growth plans got squeezed.

So in 1983 Sealright and Phillips decided to call it quits. Sealright's then-chairman, A. Major Hull, led a $47.7 million leveraged buyout, putting up just $3.5 million in cash and taking on more than $44 million worth of debt.

Once independent, management refocused its business on frozen dessert packaging and concentrated on whittling down the company's imposing debt load. Sales rose from $91 million in 1982, the last full year the company was owned by Phillips, to $121 million in 1986. Operating profit increased much faster, climbing from $9 million to $16 million.

Flush with success, Sealright raised $12 million to help pay down debt in a 1986 public offering for 22% of its shares. Debt now stands at $15 million, or 8% of capitalization. Last year Sealright, which is ranked 40th on our list of 200 Best Small Companies, earned aftertax profits of $14.3 million. Five-year average return on equity: an enviable 24.2%.

"I don't mean to be harsh to our former parent," says Ozley. "But we were better able to handle our capital program after the buyout than before." Since 1985 Sealright has plowed $53 million into capital spending, compared with just $22 million in the five years preceding the LBO.

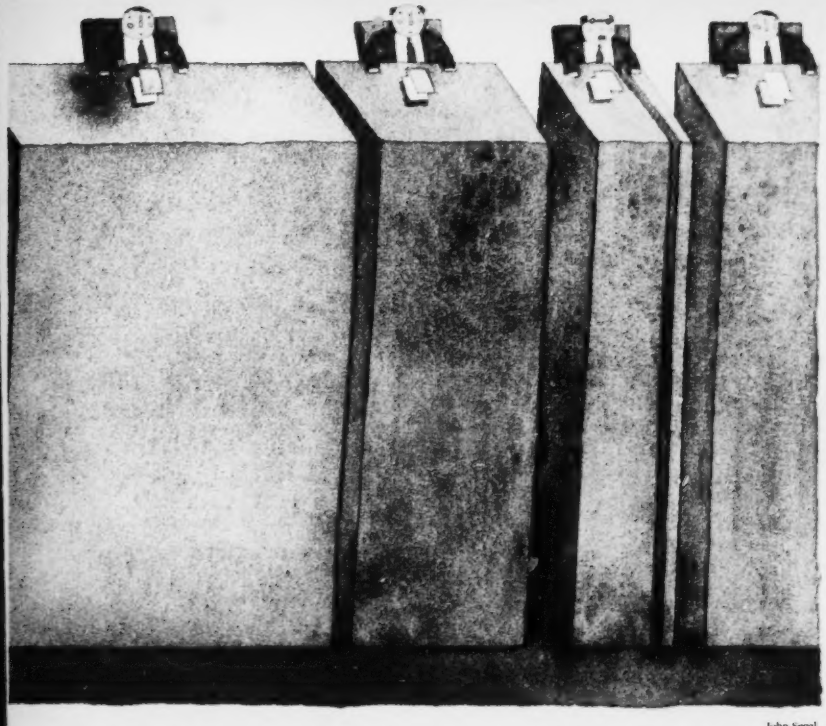
Another aborted oil company diversification to find its way to our Up & Comers list this year is Wayne, Pa.-based SunGard Data Systems. Begun as a subsidiary of Sun Co. Inc. in 1976, SunGard (1989 revenues, $201 million) sells disaster recovery services for data processing operations to customers like Amoco, Bell Atlantic and RJR Nabisco.

That means collecting data daily from customers and keeping a battery of mainframes and minicomputers on hand for their use on short notice. Then, in the event of an emergency—like a fire in a client's computer room—SunGard's computers can be configured to duplicate the client's operations at an alternate site, allowing the company's data processing departments to be back up and running within 24 hours.

SunGard evolved out of Sun's data processing department, which had developed its own backup recovery service. It expanded by offering financial services software to the banking, insurance and brokerage industries.

But under Sun's ownership, the SunGard division was operated with the mind-set of a big bureaucratic organization rather than that of a small entrepreneurial outfit.

"When we were part of Sun, there was a corporate staff [at SunGard] in excess of 100 people," recalls current SunGard Chief Executive James Mann, 56, who was recruited by the venture capital group that acquired SunGard from Sun in a $20 million leveraged buyout in 1983. "That was when SunGard had revenues of about $30 million," says Mann. "Today, we're well over $200 million, and our



John Segal

corporate staff is 13." Under Sun, even minor decisions had to be cleared by several layers of management, causing weeks of delay. Today, with only one layer of management, SunGard executives can decide on a $5 million acquisition in two days.

SunGard, which went public in 1986, raising $23 million, earned $17 million last year. Since it became independent, operating margins have risen from 13% to almost 20%.

Sometimes solid little divisions of large companies simply fall victim to their parents' short-term myopia. Case in point: Pittsburgh-based Calgon Carbon Corp., ranked 39th on our Up & Comers list. Calgon, which was acquired by pharmaceuticals giant Merck & Co. in 1968, makes activated carbon, a chemical used in water purification and food processing. But while the company had solid growth—from $11 million in revenues in 1968 to $99 million in 1982—Merck grew impatient with the division's failure to meet the corporate-wide mandate of a 15% return on assets. In 1983 Merck put the division up for sale.

There were no takers until general manager Thomas McConomy, now 57, came forward with a superleveraged $110 million management buyout plan. Exasperated with Calgon's 8% and 9% returns—despite McConomy's insistence that the market would turn around—Merck agreed to a deal in 1985 in which management put up less than $1 million in cash and borrowed the rest.

Calgon management knew best: The company, which raised $53 million in a June 1987 public offering, earned $35 million last year on revenues of $253 million. And even after a couple of recent acquisitions, the company's debt load has been reduced to less than 5% of capitalization. Says McConomy: "Merck, basically, just ran out of patience." McConomy, on the other hand, has had his patience rewarded with a 12.7% stake in the company, recently worth $89 million on paper.

Independence isn't just good for the boss' pocketbook. It also makes it easier for companies to tailor incentive plans to employees throughout the organization. After the buyout, for instance, SunGard spread 20% of its ownership among some 30 top and middle-level managers. Today, cash incentives and performance bonuses regularly run as high as 40% of salary for some managers.

In all, at least a dozen of the 200 companies on our list of the country's best small companies have emerged from larger companies. Most have been buyouts and spinoffs. But two—Tech/Ops Sevcon, a specialty electronics company, and Tech/Ops Landauer, which does personnel radiation monitoring for firms using X-ray equipment—were formed when Boston-based Tech/Ops, Inc. simply cleaved itself in two in 1988. (Tech/Ops, Inc. made our list in 1982.)

Among this group, one stands out: Donaldsonville, La.-based Melamine Chemicals, the number-one-ranked company on our Up & Comers list this year. The $38 million (fiscal 1990 revenues) firm, formed in 1968 as a joint venture between Ashland Oil and First Mississippi Corp., produces a chemical called melamine used in automotive paints and industrial enamels. Last year's earnings: $7.6 million; five-year average return on equity: over 100%.

Part of Melamine's original mission was to be a customer for First Mississippi, which was looking for a market for urea, a product of its fertilizer division and the basic raw material from which melamine is made. But like Sealright, the company found itself competing with its parents for capital outlays. "It tended to be a bit inhibiting when you had several different agendas to work toward," says 48-year-old Melamine President Roger Thomas, who has been with the company since 1974. For instance, in marketing, Ashland would tend to favor high volume at modest prices while First Mississippi favored a higher price.

In 1987 Ashland and First Mississippi sold 36% of their respective holdings to the public; an additional 1.5 million new shares were sold, raising $18 million for the company. The cash infusion allowed Melamine to build a new plant, expanding capacity by 40%.

"We cut the strings from our parents," says Thomas. "Now we live and die by our business. If our chemical doesn't do well, or we don't produce it economically, we don't have another division we can transfer to."

Freedom often complicates life. But it also produces more profits. And to judge from the people who run the companies that have been set free, it makes life a lot more fun. ■

Grist for the taxman's mill

1. Clarke M. Williams Jr.
Century Telephone Enterprises
$2,069,900

By Fleming Meeks

As we go to press, Congress and the Administration are still wrestling over the budget's final provisions. But both parties (the Remocrats and Depublicans, as *The Wall Street Journal*'s editorial page puts it so well) have agreed to punish "wealthy" and "rich" people, defined as those earning over $1 million a year. On this page and the next are eight highly productive businessmen, the fruits of whose job-creating labors will subject them to the full wrath of the tax hike, as well as two who come in under the $1 million mark.

Worst hit will be Clarke Williams Jr., recently retired chief executive of Century Telephone Enterprises. Last year was a good one for the $213 million (revenues) Monroe, La.-based telephone company, which ranked 176th this year on our list of the 200 Best Small Companies in America. It increased its number of telephone lines from 239,000 to 296,000, mainly through the acquisition of Wisconsin-based Universal Telephone, and its substantial cellular operations moved closer to break-even. For this performance, Williams, 41, who stepped down from his post in September for health reasons, earned $2.07 million, including salary, bonuses and the exercising of $1.5 million in stock options, making him the highest-paid chief executive on our Up & Comers list. (For a listing of all 200 chief executives, what they made and their educational background, see the tables beginning on page 266.)

Second by a nose to Williams was Thomas Haire, 46, chief executive of Atlanta-based T2 Medical. T2 Medical operates 93 medical and therapy centers, and is number eight on our list. The six-year-old firm earned $8 million on revenues of $38 million last year. Haire's total compensation—including a $257,500 base salary, benefits and exercise of $1.8 million in stock options—came in at just $400 under Williams.

Then there's 37-year-old Robert Haft, chief executive of Landover, Md.-based Crown Books, operator of 257 discount bookstores nationwide and number 168 on our list. (Haft is also president of the $908 million [revenues] Dart Group and a member of the Haft clan, whose net worth Forbes estimates at $450 million.) Crown earned $10.3 million on revenues of $204 million last year. Haft was paid a flat salary of $1.3 million, plus nearly $300,000 in bonuses and director's fees. "Are you sure?" Haft asked, when questioned about his substantial payday. "I really have no idea what I make," he adds.

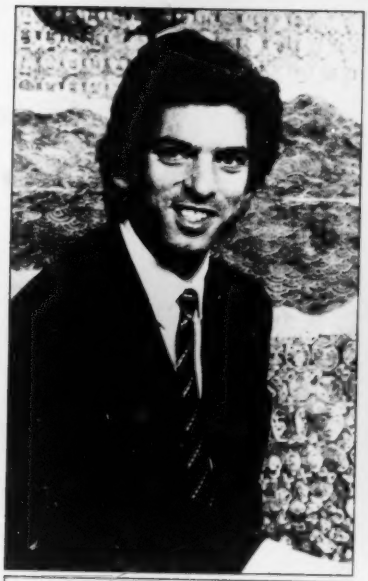
Not all the ten best paid executives got a raise last year. Robert Levine, 32, president of Rochester, N.H.-based Cabletron Systems *(see story, p. 226)*, earned $1.04 million last year. But that was a 57% pay cut from the year before, when Cabletron, the second-ranked company on our list, earned $11.8 million, and Levine took home a cool $2.44 million—before taxes, of course.

2. Thomas E. Haire
T2 Medical
$2,069,500

3. Samuel B. Davis
Liqui-Box
$2,040,300

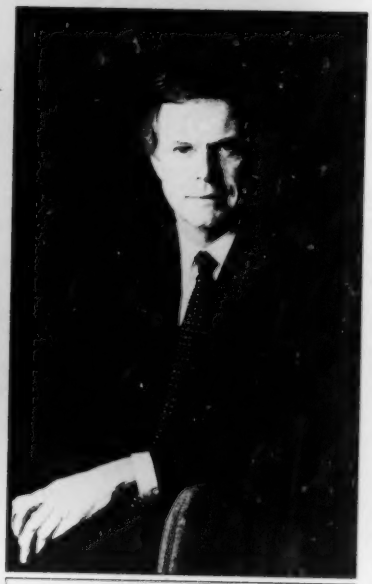
4. J.M. Wayne Code
Vallen
$1,666,000

The 200 Best's Best Paid Executives



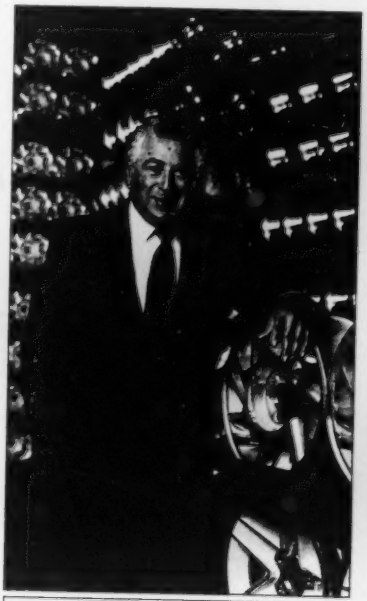
5. Robert M. Haft
Crown Books
$1,576,000

6. William O. Bailey
MBIA
$1,146,800

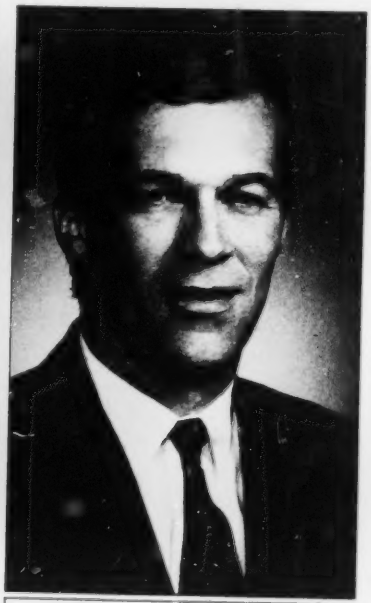


7. Robert J. Higgins
Trans World Music
$1,125,300

8. S. Robert Levine
Cabletron Systems
$1,039,400



9. Louis L. Borick
Superior Industries International
$925,000



10. John R. Potter
FlowMole
$886,800

Among the companies on this and previous years' lists of the best small companies, a handful are truly exceptional.

The small company honor roll

By Steve Kichen

OVER THE LAST 11 years, more than 1,300 different corporations have appeared on our best small companies list. Some have been bought out, others have burned out, and still others have simply been outclassed. Only one, FlightSafety International, has been able to make the grade every year.

FlightSafety and the 14 other honor roll members have qualified for our best small companies list at least four times in the past five years. And their return on equity has also exceeded 15% for both the last five years and the latest 12 months. Their stocks have outperformed the S&P 500 over the last half-decade.

Ryan's Family Steak Houses has made our list six times; the first time was in 1985, when sales were $41 million. Ryan's latest 12-month revenues hit $262 million. "The main thing is quality, quality, quality," says Alvin McCall Jr., 53, chairman and founder. Ryan's reputation for good food at reasonable prices has boosted average per-unit sales to $2.3 million; its net profit margin is 9%. This represents the highest sales per restaurant and the highest net profit margin among competitive steak houses in its market.

NYMagic specializes in marine, aviation and other liability insurance. "We only write about $200 million in business; I don't know how anyone could run a Travelers without having a nervous breakdown," says President Mark W. Blackman, 39. Blackman notes that growth can work against a company: If you plow back profits into retained earnings, you have to show higher profits the next year just to keep the same return on equity.

Which, if any, of these exceptional small companies will continue to match their past rates of growth and profitability and appear on the honor roll next year? That's impossible to know. But with little debt and lots of managerial talent, they all have a good shot at a repeat appearance. ■

The best of the best

These 15 companies have qualified for our best small companies list at least four times in the past five years and still show exceptional profitability. A hypothetical $10,000 investment in each firm made Oct. 18, 1985 has grown to $439,744. Excluding dividends, $150,000 invested in the S&P 500 would be worth only $240,614.

Company	Years on list*	Return on equity 5-year average	Return on equity Latest 12 months	5-year growth sales	5-year growth EPS	Recent price	Value of $10,000 invested†	Chief executive
American List	6	30.9%	48.9%	13%	27%	19	$30,405	Martin Lerner
Biomet	5	20.1	24.9	42	49	26	67,826	Dane A Miller
Boston Acoustics	4	22.7	23.9	23	33	18	23,279	Francis L Reed
Cintas	6	17.4	20.8	23	22	41	22,041	Richard T Farmer
Diagnostic Prods	6	20.3	23.6	28	33	30	44,630	Sigi Ziering
FlightSafety Intl	11	18.4	21.1	22	21	41	26,230	Albert L Ueltschi
Franklin Resources	7	46.3	40.9	33	47	24	36,375	Charles B Johnson
Frontier Insurance Group	4	23.1	27.2	36	48	19	27,047	Walter A Rhulen
Intl Dairy Queen Cl A	4	36.6	34.6	13	26	47	27,794	Michael P Sullivan
Liqui-Box	5	22.2	23.3	13	18	55	20,469	Samuel B Davis
Mentor	8	18.1	21.3	15	24	13	18,136	Christopher J Conway
NYMagic	6	17.5	18.3	17	26	21	20,847	Mark W Blackman
Ryan's Family Steak Houses	6	17.5	18.8	43	36	5	19,418	Charles D Way
Stryker	9	17.2	19.1	21	23	23	31,765	John W Brown
Tootsie Roll Industries	5	18.8	19.3	13	18	36	23,482	Melvin J Gordon
Total							$439,744	

*Since 1980. †On Oct. 18, 1985.

Sources: William O'Neil & Co.; Forbes

What it takes to be the best

Almost 4,300 public U.S. corporations meet our definition of small—latest 12-month sales between $5 million and $350 million—but our stringent growth and quality requirements eliminated most of these contenders. We used a five-year time interval to test for consistency of earnings and sales growth. This ensures relatively fast growth today, and a history of above-average growth during the last few years. We eliminated companies that might be on the verge of faltering by requiring earnings growth over the most recent quarter as well as the last four quarters. Highly leveraged companies—those with more debt than equity, as of the latest fiscal year-end balance sheet—were also dropped, as were companies whose stock prices did poorest relative to the overall market.

Does this mean all the companies on our list will fare well in the future? Of course not. But their recent performance suggests superior management. William O'Neil & Co. in Los Angeles provided most of the data for this table. Earnings estimates come from the Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan.

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 mos	5-year EPS growth rate	Latest 12 mos sales (millions)	Latest 12 mos profits (millions)	Debt/ equity	Quick ratio[1]	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1990 EPS
1	■	**Melamine Chems** specialty chemicals	100%*	25.2%	54%	$37.8	$7.6	0%	2.31	8	$45.6	$1.39	6.0	$1.40[2]
2	■	**Cabletron Systems** computer network equip & svcs	51.5	40.0	198	134.8	26.9	0	2.38	18	463.2	1.03	17.1	1.22
3	■	**BMC Software** computer software	50.7	38.9	94	102.0	22.4	0	NA	19	402.4	0.91	20.5	1.14
4	5	**Franklin Resources** fund management	46.3	40.9	47	282.5	88.6	3	NA	24	952.1	2.26	10.7	2.32
5	■	**Digi Intl** data communications equip & software	44.7	73.0	146	20.3	4.2	0	2.07	12	46.3	1.10	10.9	1.18
6	4	**Tech-Ops Landauer** radiation monitoring svcs	43.8	36.2	22	23.8	6.4	2	1.91	25	105.9	1.52	16.4	1.56
7	■	**Adobe Systems** computer software	43.6	64.6	132	153.2	38.0	1	2.23	19	387.3	1.75	10.7	1.76
8	■	**T2 Medical** infusion therapy centers	43.4	29.0	74	58.6	12.2	54	1.73	17	239.7	0.99	17.4	1.13
9	■	**Sullivan Dental Products** dental supplies & equip	38.7	55.0	89	40.8	1.9	4	NA	15	51.3	0.71	20.8	0.72
10	■	**Seattle FilmWorks** photofinishing svcs	37.0	58.1	42	32.4	1.9	72	1.22	6	11.2	0.99	6.3	1.00
11	9	**Intl Dairy Queen Cl A** fast-food restaurants	36.6	34.6	26	282.5	26.2	29	1.56	47	431.9	2.85	16.6	2.87
12	29	**Lindsay Mfg** electrical irrigation sys	35.2	49.6	107	94.5	7.9	0	1.35	15	45.3	2.57	5.7	2.67
13	■	**Amer Power Conversion** power supply equip	33.6	49.8	189	47.6	7.5	23	2.1	12	128.6	0.70	17.5	0.82
14	■	**Forschner Group** leisure & recreational prods	33.6	43.1	22	46.6	3.2	99	2.28	5	20.0	0.78	6.7	0.75
15	■	**Cisco Systems** computer network equip	31.6	20.1	2.62	69.9	13.9	0	1.47	22	267.6	1.00	21.8	1.40[2]
16	39	**American List** student mailing lists	30.9	48.9	27	8.2	4.4	0	NA	19	51.8	1.60	11.7	NA

Stock prices as of Oct. 12. *Figure greater than 100%. NA: Not available or applicable. [1]Current assets less inventories divided by current liabilities. [2]1991 estimate.

Sources: William O'Neil & Co.; Institutional Brokers Estimate System, via Lotus One Source.

The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 mos	5-year EPS growth rate	Latest 12 mos sales (millions)	Latest 12 mos profits (millions)	Debt/ equity	Quick ratio[1]	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1990 EPS
17	2	**Allwaste** pollution control equip & svs	29.6%	43.1%	52%	$199.9	14.6%	18%	2.53	6	$208.4	$0.48	12.8	$0.50
18	20	**BeautiControl Cosm** cosmetics	29.5	38.6	24	51.3	5.9	0	1.91	15	70.7	1.14	12.8	1.21
19	■	**Sierra On-Line** computer games	29.5	25.0	102	30.3	5.1	0	4.53	12	43.9	1.39	8.8	1.65
20	19	**Kaydon** bearings, filtration prods	29.3	26.6	31	164.6	24.1	30	0.93	29	250.2	2.80	10.4	3.04
21	■	**Integrated Systems** CAE software	29.2	40.3	45	16.7	2.8	0	NA	8	67.7	0.37	22.6	NA
22	■	**SafeCard Services** credit card loss svcs	28.4	22.9	11	128.6	25.5	3	NA	6	158.4	0.89	6.7	0.94
23	25	**Heartland Express** trucking	27.7	27.2	28	53.8	6.5	0	NA	17	82.5	1.30	12.7	1.40
24	18	**Group 1 Software** computer software	27.6	23.6	57	20.5	3.0	3	NA	5	21.8	0.71	7.4	NA
25	■	**Arkansas Freightways** trucking	27.5	22.6	76	118.1	6.4	87	1.35	17	93.0	1.16	14.4	1.32
26	■	**Home Nutritional Svcs** home medical care	27.2	18.0	51	72.8	8.3	0	9.51	11	132.8	0.75	15.0	0.85
27	■	**Goal Systems Intl** data center mgmt software	26.9	37.0	26	82.6	11.6	21	NA	10	170.3	0.75	12.7	0.80
28	34	**Oshkosh B'Gosh Cl A** apparel	26.9	28.0	20	324.7	36.0	4	0.98	22	319.1	2.47	8.9	2.28
29	75	**Technalysis** computer & technical svcs	26.8	41.0	19	20.8	2.1	0	2.26	8	17.7	0.93	8.9	0.97
30	■	**Trans World Music** record stores	26.2	24.8	36	329.1	16.1	49	0.39	18	158.5	1.78	9.8	2.04
31	■	**CSS Industries** paper prods, containers	26.1	24.7	52	149.6	14.9	25	2.66	15	77.5	3.04	4.9	3.11
32	48	**Preferred Health Care** heath care svcs	25.9	28.5	34	29.6	4.2	3	NA	8	85.3	0.39	20.2	0.46
33	13	**System Software Assoc** software for IBM mainframes	25.9	30.2	67	110.9	14.9	4	1.71	14	162.2	1.26	11.1	1.37
34	27	**Autodesk** CAD software	25.8	32.9	56	209.6	52.4	0	4.54	35	844.4	2.15	16.2	2.41
35	■	**Respironics** respiratory medical prods	25.7	26.7	28	23.0	2.2	0	3.35	14	47.1	0.62	22.6	0.80[2]
36	46	**Sanford** office & school supplies	25.5	29.1	40	134.1	23.5	2	1.34	23	333.7	1.57	14.3	1.59
37	102	**Ballard Med Products** disposable medical prods	25.4	40.9	124	29.1	5.6	0	5.64	26	135.6	1.01	25.2	0.99
38	31	**Pioneer Group** mutual fund management	25.0	23.3	15	62.2	15.6	26	NA	17	102.7	2.55	6.6	2.51
39	32	**Calgon Carbon** activated carbon	24.6	22.9	36	263.1	37.1	11	2.58	33	667.4	1.83	18.0	2.05

Stock prices as of Oct. 12. NA: Not available or applicable. [1]Current assets less inventories divided by current liabilities. [2]1991 estimate.

Sources: William O'Neil & Co., Institutional Brokers Estimate System, via Lotus One Source.

The 200 Best Small Companies in America

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40	35	**Sealright** packaging materials	24.2%	23.0%	26%	$196.7	$14.9	27%	1.05	16	$174.0	$1.35	11.7	$1.41
41	40	**Fastenal** fasteners; retail bldg materials	24.0	31.4	38	47.4	5.5	4	2.78	18	166.0	0.58	30.2	0.67
42	■	**MacNeal-Schwendler** CAE software	24.0	23.5	19	49.3	10.1	0	NA	7	81.0	0.85	7.9	0.89
43	83	**Acuson** ultrasound medical instruments	23.8	29.4	116	253.5	42.6	0	3.18	25	860.3	1.19	20.9	1.34
44	■	**Juno Lighting** lighting fixtures	23.4	23.1	19	84.9	14.0	7	5.56	14	126.3	1.52	9.0	1.54
45	73	**Hipotronics** electrical testing equip	23.2	27.9	25	26.0	3.3	11	2.07	16	32.4	1.58	10.0	1.60
46	64	**Frontier Ins Group** insurance	23.1	27.2	48	77.9	10.6	0	NA	19	84.3	2.39	7.9	2.46
47	■	**Johnson Worldwide Cl A** recreation equip	23.0	20.9	19	269.7	16.0	19	1.82	21	161.1	2.00	10.3	1.99
48	■	**Boole & Babbage** software	22.9	36.3	44	91.9	5.5	0	1.29	11	43.2	1.43	7.7	1.32
49	■	**Lawson Products** distrib equip parts	22.8	25.9	19	182.4	23.6	0	3.7	26	348.8	1.74	14.8	1.78
50	93	**St Jude Medical** heart valves	22.8	31.2	63	162.7	57.9	0	10.17	27	1,254.7	1.22	21.9	1.34
51	51	**Boston Acoustics** audio speaker systems	22.7	23.9	33	27.8	3.6	0	6.91	18	36.3	1.79	9.9	2.03
52	■	**Concord Computing** computer svcs for retail stores	22.6	34.9	129	34.8	4.5	7	1.87	23	75.1	1.27	17.7	1.33
53	62	**Total System Services** financial data processing svcs	22.6	23.4	29	70.8	11.9	0	6.28	34	540.2	0.75	45.3	0.84
54	67	**Liqui-Box** packaging	22.2	23.3	18	112.2	9.9	6	0.88	55	125.5	4.22	12.9	NA
55	■	**Washington Fed S&L** savings & loan	22.1	22.7	19	275.4	63.0	0	1.07	24	513.6	2.87	8.3	2.91
56	92	**Cadence Design Sys** CAD software	21.8	32.7	57	175.2	33.9	9	NA	15	422.2	1.11	13.3	1.26
57	■	**Utah Medical Products** disposable medical prods	21.7	49.0	94	20.5	3.4	1	1.52	9	65.1	0.44	19.9	0.50
58	■	**Lindal Cedar Homes** pre-cut cedar homes	21.6	20.4	9	49.2	2.1	11	0.81	5	13.4	0.81	6.5	0.86
59	107	**DH Technology** computer equip	21.4	30.2	66	44.6	6.7	14	3.62	7	34.1	1.33	5.4	1.25
60	91	**Software Publishing** software	21.4	31.7	60	128.8	21.1	0	4.33	17	200.6	1.71	9.8	1.85
61	■	**Southern Mineral** oil & gas explor, prod	21.4	164.3	34	12.4	6.3	0	NA	4	17.3	1.56	2.8	NA
62	65	**Expeditors Intl Wash** intl freight forwarding	21.3	21.6	29	193.7	9.6	4	NA	16	93.5	1.64	9.9	1.75

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63	124	**Keane** computer svcs & systems	21.3%	33.6%	66%	$89.8	$4.3	36%	NA	13	$61.4	$1.03	13.0	$1.12
64	76	**Mestek** climate-control equip, environ svcs	21.3	24.1	22	189.0	9.2	51	1.65	6	47.9	0.94	6.8	1.10
65	85	**Modern Controls** precision test instruments	21.3	25.0	26	10.7	2.3	0	6.76	13	40.9	0.70	18.6	0.76
66	■	**Digital Systems Intl** telecommunications equip	21.2	63.0	137	28.3	5.4	14	1.51	11	92.3	0.70	15.7	0.96
67	■	**Electronic Arts** computer games	21.1	19.9	26	75.8	6.5	0	2.46	8	72.4	0.70	11.1	0.90
68	■	**Bridgford Foods** frozen & snack food prods	20.9	29.3	81	82.2	3.9	0	1.09	15	62.6	0.94	16.0	0.63
69	74	**National Pizza** Pizza Hut franchisor	20.5	21.4	21	227.5	15.4	92	0.46	18	245.6	1.11	16.0	1.25
70	38	**Penn Treaty American** supplemental health insurance	20.4	16.8	23	37.6	5.4	8	NA	10	34.9	1.87	5.3	1.95
71	87	**Diagnostic Prods** medical diagnostic kits	20.3	23.6	33	67.9	16.8	0	2.94	30	359.8	1.31	23.0	1.45
72	106	**Intl Recovery** waste management, aviation svcs	20.3	20.8	83	167.9	4.3	46	2.62	11	50.4	0.94	12.0	1.08
73	■	**Digital Microwave** fiber optics, microwave equip	20.2	19.8	89	122.3	13.4	0	1.85	12	139.4	1.08	10.9	1.27
74	103	**Biomet** medical implant devices	20.1	24.9	49	170.7	32.2	0	3.85	26	723.9	1.16	22.4	1.35
75	■	**Analysts Intl** computer svcs & software	20.0	39.1	87	107.8	6.0	0	NA	12	52.6	1.29	8.9	1.45[2]
76	■	**Brandon Sys** temporary tech personnel svcs	19.8	16.5	23	33.7	2.2	0	NA	7	20.0	0.82	8.8	0.80
77	47	**Duty Free Intl** duty free retail stores	19.8	14.5	33	94.2	12.4	12	8.66	18	201.7	1.21	15.2	1.29
78	■	**Graco** fluid-handling equip	19.7	20.2	14	298.1	15.4	37	1.11	18	125.9	2.13	8.2	2.22
79	■	**Lechters** specialty retail	19.7	16.3	33	168.8	9.4	26	1.21	12	84.1	1.38	8.5	1.53
80	■	**Value Merchants** wholesales close-out toys	19.7	14.4	31	98.4	3.9	2	0.43	9	53.5	0.83	10.5	1.13
81	99	**Superior Industries Intl** custom auto parts	19.6	21.0	21	252.7	16.2	88	1.28	16	136.7	1.87	8.5	1.97
82	56	**Legent** software	19.5	26.0	37	158.1	31.5	0	NA	17	372.0	1.46	11.8	1.58
83	■	**Rollins Environmental Svcs** waste disposal	19.5	18.8	12	191.5	25.6	4	NA	8	465.6	0.43	18.0	0.47
84	89	**McGrath RentCorp** sells & leases modular offices	19.2	24.5	26	46.4	8.3	0	NA	22	81.9	2.20	10.0	2.22
85	■	**Vencor** hospitals for chronically ill	19.2	8.6	54	63.8	1.4	55	1.73	12	68.7	0.25	48.0	0.44

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86	177	**Medstat Systems** software for health care inds	19.1%	22.3%	58%	$11.8	$1.4	10%	NA	9	$24.4	$0.51	18.1	$0.52
87	■	**Greenery Rehab Group** rehabilitation & nursing homes	18.9	20.8	15	91.4	7.4	88	NA	7	73.7	0.82	8.2	0.82
88	70	**BHA Group Cl A** air pollution control equip	18.8	18.1	41	68.4	4.9	6	2.48	14	83.9	0.75	18.0	0.84
89	■	**Jones Medical Inds** mfgr & distrib pharmaceuticals	18.8	25.7	29	16.8	2.1	54	0.99	11	48.3	0.61	18.6	0.64
90	86	**Tootsie Roll Industries** candy	18.8	19.3	18	183.6	21.2	0	1.54	36	349.6	2.19	16.6	2.35
91	■	**Advanced Telecomm** telecommunications	18.7	20.0	22	331.2	25.6	79	NA	16	325.8	1.16	13.4	1.34
92	■	**CPAC** photo chems & silver recovery	18.7	21.0	55	26.9	1.5	29	1.35	6	13.6	0.66	9.5	NA
93	90	**Luby's Cafeterias** cafeteria restaurants	18.7	19.7	11	311.4	32.1	2	0.61	17	458.3	1.17	14.3	1.18
94	■	**GZA GeoEnviron Tech** environ consulting & geotech svcs	18.6	12.0	18	33.7	2.7	1	NA	6	22.3	0.79	7.6	0.81
95	111	**FlightSafety Intl** air & marine training	18.4	21.1	21	255.9	71.1	10	NA	41	1,395.1	2.09	19.6	2.46
96	66	**American Travellers** insurance	18.3	28.7	19	64.2	9.0	0	NA	13	132.2	1.21	11.0	1.41
97	■	**Dycom Inds** telecomm & elec svcs for tel & util cos	18.1	31.0	52	166.7	9.6	7	NA	9	121.0	1.10	8.0	1.22[2]
98	■	**Mentor** medical devices & disposable prods	18.1	21.3	24	54.7	8.6	64	5.48	13	142.4	0.80	16.7	0.89
99	82	**Sbarro** Italian restaurants	18.1	23.0	37	170.3	16.6	0	1.03	23	308.5	1.24	18.5	1.45
100	■	**Williams-Sonoma** specialty retail	18.1	25.2	37	244.0	9.5	15	0.35	15	156.6	0.99	15.2	1.19
101	43	**New Line Cinema** movie production, distrib	18.0	26.9	10	110.4	6.1	0	0.48	7	58.5	0.71	10.0	1.00
102	■	**TriCare** health care evaluation svcs	18.0	16.0	60	24.5	1.8	2	NA	6	19.1	0.51	11.0	0.60
103	116	**Medicine Shoppe Intl** franchised pharmacies	17.9	21.6	26	32.0	8.5	0	NA	18	146.2	1.04	17.3	1.10
104	■	**Gainsco** property & casualty insurance	17.8	22.2	52	44.3	6.0	0	NA	7	41.8	0.95	7.1	1.03
105	88	**Aloette Cosmetics** cosmetics	17.6	19.8	20	21.7	3.9	2	7.08	12	34.1	1.35	8.6	1.50
106	151	**Gendex** medical & dental X-ray equip	17.6	19.9	73	30.0	2.6	44	1.25	11	37.3	0.83	12.7	0.95
107	84	**MS Carriers** trucking	17.6	18.2	26	110.1	8.5	39	NA	10	50.9	1.61	6.0	1.59
108	49	**Nichols Research** svcs technical military equip	17.6	20.6	24	74.9	3.8	0	NA	9	29.2	1.05	8.1	0.98

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109	■	**ADC Telecommunications** telecommunications equip	17.5%	19.6%	19%	$247.1	$21.7	4%	2.15	19	$245.6	$1.64	11.3	$1.67
110	130	**Buffets** buffet restaurants	17.5	24.9	50	133.2	7.1	14	0.54	16	150.4	0.75	21.3	0.85
111	117	**NYMagic** maritime insurance	17.5	18.3	26	90.6	20.4	0	NA	21	180.4	2.31	8.9	2.17
112	113	**Ryan's Fmly Steak Houses** cafeteria restaurants	17.5	18.8	36	262.3	23.9	0	0.05	5	275.0	0.45	11.7	0.48
113	115	**Cintas** uniform sales & rentals	17.4	20.8	22	295.0	27.8	28	1.35	41	573.6	1.96	20.7	2.23
114	■	**IPL Systems Cl A** computer equip	17.4	41.2	45	21.0	3.8	0	4.35	9	45.3	0.75	12.0	NA
115	118	**Stryker** specialty medical prods	17.2	19.1	23	250.6	21.4	2	2.07	23	533.2	0.91	24.7	0.99
116	139	**Tech-Ops Sevcon** speed controls for electric vehicles	17.2	21.7	30	15.7	1.5	0	2.12	7	12.3	0.84	8.6	NA
117	■	**BGS Systems** computer software	17.0	32.4	181	21.8	4.9	0	NA	19	55.2	1.57	11.8	1.69
118	119	**Intertrans** intl freight forwarding	17.0	27.1	26	117.0	5.4	0	1.93	13	61.5	1.05	12.1	1.09
119	154	**Pansophic Systems** software	16.9	22.9	13	227.7	28.8	1	NA	9	162.0	1.56	5.6	1.31
120	■	**Cerner** medical info svcs	16.7	11.3	31	55.1	3.2	6	1.85	7	25.5	0.84	8.3	0.97
121	57	**Werner Enterprises** trucking	16.7	16.1	22	282.3	18.0	47	NA	11	126.2	1.54	7.0	1.59
122	■	**EnClean** ind & environ cleaning svcs	16.5	20.5	37	52.6	2.1	98	1.77	11	46.7	0.67	16.6	0.83[2]
123	123	**Thermo Instrument Sys** radiation & pollution instruments	16.4	14.5	28	172.4	14.3	44	2.95	13	333.8	0.70	18.6	0.78
124	■	**FirstFed Financial** savings & loan	16.3	19.7	15	266.2	26.6	86	1.25	15	120.3	3.04	4.8	3.27
125	163	**Tuscarora Plastics** plastics	16.3	18.1	19	86.2	4.9	48	1.48	19	55.7	1.64	11.3	1.68
126	■	**Vicor** electric power systems	16.3	29.2	94	29.5	3.1	44	1.49	12	100.9	0.33	34.8	0.55
127	■	**HealthCare Compare** finl svcs for health care ind	16.2	8.6	37	34.5	3.2	1	3.7	20	114.6	0.55	35.9	0.79
128	■	**Tennant** floor care equip	16.2	21.1	15	206.4	15.6	3	1.29	28	137.2	3.13	8.9	3.08
129	131	**Harding Associates** hazardous waste consulting svcs	16.0	23.0	58	71.3	4.9	0	1.92	16	72.2	1.01	16.1	1.11
130	■	**Oregon Steel Mills** steel plate & pipe	15.9	22.7	199	266.3	25.4	6	1.09	17	267.3	1.60	10.5	1.95
131	■	**American Management Sys** management & tech consulting	15.8	15.5	13	239.2	10.1	21	NA	14	118.4	0.87	15.5	1.00

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132	114	**Arbor Drugs** drugstores	15.8%	21.0%	19%	$341.3	$11.0	57%	0.96	15	$138.2	$1.15	12.6	$1.35[2]
133	■	**Chambers Development** waste collection & disposal	15.8	14.4	48	226.1	31.7	85	2.42	18	969.7	0.59	30.1	0.68
134	148	**Myers Industries** tire svc equip, plastic parts	15.8	19.7	30	199.0	10.5	56	1.34	14	101.3	1.45	9.6	1.53
135	133	**Watts Industries Cl A** valves	15.7	16.2	18	291.8	27.7	38	2.03	35	435.0	2.18	15.8	2.52[2]
136	195	**JLG Industries** construction machinery	15.3	24.0	85	149.3	8.5	26	1.14	13	44.8	2.42	5.3	2.73[2]
137	■	**Solectron** printed circuit boards	15.3	38.4	53	204.7	7.4	49	1.25	9	51.1	1.26	6.9	1.42[2]
138	■	**LS Starrett** hand tools, measuring equip	15.2	14.7	10	201.6	18.8	16	1.96	19	75.3	2.71	7.1	NA
139	■	**Nellcor** patient-monitoring instruments	15.2	14.8	40	142.6	14.4	1	3.63	10	144.4	0.96	10.3	1.17[2]
140	■	**Spaghetti Warehouse**[3] Italian restaurants	15.1	34.9	38	37.2	2.9	78	0.38	16	49.6	0.93	16.8	1.20[2]
141	150	**Chili's** restaurants	15.0	23.1	26	347.1	18.1	51	0.65	26	300.6	1.66	15.9	2.02[2]
142	132	**G&K Services** linen rental	14.9	16.7	19	118.7	10.2	6	1.17	9	124.4	0.76	12.2	0.78
143	■	**Geodynamics** defense & intelligence software	14.9	15.7	14	54.1	3.7	0	NA	9	25.7	1.23	7.1	1.37
144	147	**SunGard Data Systems** computer svcs	14.9	16.1	27	224.8	18.7	15	NA	16	227.0	1.31	12.2	1.48
145	■	**Synetic** plastic prods	14.8	12.0	12	24.0	3.9	10	5.84	17	118.4	0.54	31.0	NA
146	■	**FlowMole** service underground cable & pipe	14.6	18.5	17	41.1	3.8	19	2.64	6	40.5	0.56	11.4	0.62
147	■	**Payco American** collection agency, billing svcs	14.6	19.6	13	102.5	4.8	1	NA	11	107.4	0.49	21.9	0.56
148	■	**Caere** information recognition software	14.5	17.1	24	23.7	4.9	0	13.22	17	85.3	1.05	16.2	1.15
149	■	**Analysis & Technology** military engineering svcs	14.4	14.5	14	99.2	3.6	20	NA	10	20.9	1.67	5.8	1.67
150	■	**Ben & Jerry's** ice cream	14.4	17.8	29	68.7	2.4	70	1.39	12	30.6	0.91	12.9	1.00
151	■	**Consilium** factory-floor software & svcs	14.4	22.4	130	29.9	5.2	0	NA	16	105.7	0.76	21.1	0.80
152	149	**Hooper Holmes** health care & health info svcs	14.4	16.2	14	88.3	2.8	19	NA	10	29.8	0.89	11.0	0.96
153	162	**Raymond James Financial** securities brokerage	14.4	23.5	19	256.6	16.9	39	1.04	15	82.5	2.96	5.0	2.65
154	172	**United Investors Mgmt** mutual fund adviser, insurance	14.2	18.1	28	248.5	60.0	0	NA	16	592.1	1.59	9.8	1.71

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155	157	**Uno Restaurant** pizza restaurants	14.1%	16.0%	63%	$52.9	$3.6	2%	1.19	11	$67.9	$0.44	24.4	$0.50
156	■	**Vallen** industrial safety & health prods	14.1	17.8	31	134.6	6.7	11	2.19	23	101.8	1.52	15.3	NA
157	■	**Maxim Integrated Prods** integrated circuits	13.9	20.2	125	56.0	7.6	13	1.26	8	97.4	0.58	14.0	0.79[2]
158	174	**Structural Dynamics Res** computer aided engineering	13.9	22.9	47	109.9	12.1	5	NA	17	213.1	0.89	18.8	0.93
159	■	**UniCare Financial** workers' comp insurance	13.8	26.0	70	84.1	8.1	0	NA	12	64.8	1.48	8.0	1.57
160	■	**BancTec** computerized document processing equip	13.7	15.6	49	189.5	10.9	49	1.05	13	80.3	1.64	7.8	1.88
161	159	**Quaker Chemical** specialty chemicals	13.7	15.1	18	190.9	13.7	6	2.11	13	122.4	1.45	9.0	1.50
162	160	**Unifirst** uniform rental svcs	13.7	17.2	14	221.6	13.8	66	0.89	15	153.7	1.35	11.2	1.36
163	■	**Medex** disposable medical prods	13.6	18.1	19	44.7	3.9	8	1.89	16	72.0	0.86	18.8	1.05[2]
164	■	**Micro Healthsystems** software for health care ind	13.5	23.1	116	8.5	1.1	0	2.68	13	26.0	0.59	22.5	NA
165	■	**Comair Holdings** regional airline	13.4	23.1	142	169.4	13.9	55	1.58	13	102.6	1.70	7.4	1.66
166	■	**Fidelity National Financial** title insurance	13.4	23.0	22	180.4	6.1	59	NA	11	32.9	1.78	5.9	1.62
167	■	**Intl Aluminum** aluminum bldg materials	13.4	14.1	20	212.1	14.8	3	2.67	22	95.0	3.30	6.5	3.50[2]
168	175	**Crown Books** bookstores	13.3	15.1	26	213.5	11.0	5	1.38	15	78.6	2.09	7.3	NA
169	■	**Weigh-Tronix** electronic scales	13.3	12.6	21	60.6	3.3	25	1.01	13	33.1	1.17	10.7	NA
170	187	**Met-Pro** filtration & fluid-handling equip	13.2	16.7	24	39.3	3.5	11	1.72	15	43.6	1.17	12.7	1.37
171	■	**Good Guys** consumer electronics retailer	13.0	24.9	20	267.4	6.9	25	0.46	15	78.9	1.49	10.2	1.52
172	171	**Harleysville Group** insurance	13.0	14.9	32	333.6	23.9	3	NA	15	115.1	3.07	4.7	3.12
173	■	**Raven Industries** electronics, plastics, clothing	13.0	20.7	20	89.6	4.4	19	1.16	11	33.5	1.39	7.8	1.50
174	192	**Applied Bioscience Intl** toxicological testing svcs	12.7	16.7	42	62.1	5.5	7	0.95	32	157.2	1.60	19.7	1.65
175	141	**Kent Electronics** distrib electronic prods	12.7	13.5	20	53.3	3.2	3	2.08	10	39.5	0.84	12.2	0.94
176	■	**Century Tel Enterprises** telephone co	12.6	10.6	10	237.7	27.2	100	1.03	23	703.3	0.87	26.4	0.93
177	179	**Colonial Cos Cl B**[3] insurance	12.5	13.5	15	284.5	31.3	1	0.25	17	226.0	2.07	8.3	NA

Stock prices as of Oct. 12. NA: Not available or applicable. [1]Current assets less inventories divided by current liabilities. [2]1991 estimate. [3]Formerly Colonial Life & Accident.

Sources: William O'Neil & Co.; Institutional Brokers Estimate System, via Lotus One Source.

The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 mos	5-year EPS growth rate	Latest 12 mos sales (millions)	Latest 12 mos profits (millions)	Debt/ equity	Quick ratio[1]	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1990 EPS
178	■	**Adaptec** computer equip	12.4%	19.1%	23%	$118.6	$15.6	2%	5.14	10	$94.0	$1.68	5.7	$1.93
179	■	**Fiserv** computer services	12.4	14.8	70	174.8	12.5	33	NA	21	179.2	1.46	14.5	1.60
180	■	**MBIA** municipal bond insurer	12.4	14.9	22	198.9	115.4	0	NA	20	760.5	3.08	6.5	3.39
181	■	**Ecology & Environ Cl A** environ consulting & testing	12.3	16.5	27	73.2	4.5	3	NA	12	47.2	1.13	10.6	1.15
182	■	**Gish Biomedical** disposable medical prods	12.3	23.6	76	18.2	1.5	3	2.76	12	30.8	0.52	22.4	0.58[2]
183	193	**Cracker Barrel Old Country** restaurants	12.2	18.0	40	225.6	15.3	20	1.13	20	273.5	1.07	18.2	1.29[2]
184	188	**Forest Labs** drugs	12.0	14.5	30	156.1	32.4	0	8.33	40	773.4	1.57	25.6	1.82
185	■	**Linear Technology** integrated circuits	12.0	19.4	83	75.6	11.3	15	3.79	9	151.8	0.67	13.8	0.88[2]
186	■	**OEA** airbag & other propellants	12.0	14.9	11	75.7	9.0	1	2.32	28	184.4	1.31	21.0	1.39
187	■	**Policy Mgmt Sys** software for insurance ind	11.9	11.5	17	306.0	32.8	36	NA	34	659.3	1.76	19.4	1.85
188	■	**Comshare** computer software & svcs	11.8	25.4	59	103.7	6.9	0	NA	15	80.7	1.26	12.2	1.62[2]
189	■	**Bytex** computer equip	11.2	15.6	39	42.4	4.5	1	5.04	7	40.2	0.74	9.0	0.81
190	■	**A&W Brands** soft drinks	10.8	19.6	120	116.4	11.6	55	0.61	25	226.8	1.26	19.8	1.40
191	■	**Vertex Communications** ground station satellite antennas	10.7	13.4	11	32.4	1.8	11	1.9	5	14.6	0.54	8.3	0.57
192	■	**Nichols Institute** clinical testing svcs	10.5	16.3	107	151.5	6.3	87	2.23	13	177.4	0.50	26.5	0.61
193	200	**Western Waste Inds** waste managment	10.5	15.0	19	172.0	9.7	84	1.22	16	205.2	0.78	20.4	0.91[2]
194	■	**Frederick's of Hollywood** retail & mail-order women's apparel	10.4	22.2	118	93.8	4.0	1	0.72	8	48.3	0.70	12.0	NA
195	■	**Sage Software** software for IBM mainframes	10.1	14.3	18	28.0	3.5	0	NA	10	60.6	0.56	17.4	0.75
196	■	**DFSoutheastern** savings & loan	9.9	8.8	13	252.7	12.5	78	1.27	7	31.3	2.69	2.5	2.34
197	■	**Healthcare Svcs Group** nursing home maintenance	9.8	17.6	17	60.1	4.8	31	6.51	16	90.0	0.96	16.1	1.08
198	■	**Selas** heat processing equip	9.8	36.3	78	64.5	4.4	25	1.14	10	30.4	1.95	5.0	2.00
199	■	**Alza** research controlled-delivery drugs	9.6	11.5	31	96.2	21.5	41	8.27	38	1,231.5	0.62	61.5	0.76
200	■	**New England Critical Care** home infusion therapy	9.3	15.0	55	103.9	10.4	4	8.27	21	257.1	0.80	26.3	0.94

Stock prices as of Oct. 12. NA: Not available or applicable. [1]Current assets less inventories divided by current liabilities. [2]1991 estimate.

Sources: William O'Neil & Co., Institutional Brokers Estimate System, via Lotus One Source.

Not doing too badly

The chief executives who run the big Forbes 500s companies (FORBES, *May 28*) make more money, but the people who head the 200 Best Small Companies in America don't do too badly either. The median salary plus bonus amounts to $278,500 (against $739,900 at the big companies). Gains from the exercise of options and other compensation such as car allowances, payment of insurance premiums and contributions to 401(k) savings plans raise median total compensation to $320,600. But more important than income to the small company chief executives is capital: Their holdings of stock in their companies total $4.2 billion, even in this depressed market; in this study, the median holding is worth $5.6 million.

Executive stock holdings were based on shares of beneficial interest, including stock held by an executive's wife or minor children, even if beneficial ownership was disclaimed. Excluded (where possible) were stock options, stock in which the executive shared control, shares held by foundations, by parents and by family members active in the business.

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	Stock owned mkt val (000)
M L Lowenkron **A&W Brands**	59	10	10			$483.2	—	—	$483.2	3.4%	$7,700
Samuel H Maslak **Acuson**	42	9	9	MIT MIT	BS PhD	500.0	—	—	500.0	6.1	52,782
John G Adler **Adaptec**	53	5	4	U of Mississippi Stanford	BS MBA	409.3	$5.7	$442.3	857.3	—	—
Charles M Denny Jr **ADC Telecommunications**	59	20	20	Stanford	BS	404.1	3.0	116.0	523.1	1.4	3,369
John E Warnock **Adobe Systems**	50	8	8	U of Utah U of Utah	BS PhD	320.6	—	—	320.6	3.5	13,478
Stephen E Raville **Advanced Telecommunications**	43	8	5	U of Virginia U of Georgia	BA JD	481.9	—	—	481.9	1.7	5,386
R L Nelson Jr[1] **Allwaste**	51	13	13	McNeese State	BS	257.0	—	—	257.0	2.6	5,460
Patricia J Defibaugh **Aloette Cosmetics**	44	12	12			195.5	20.2	—	215.7	25.5	8,690
Martin S Gerstel **Alza**	49	22	3	Yale Stanford	BS MBA	324.3	—	—	324.3	0.3†	3,847
Martin Lerner **American List**	57	25	25	Brooklyn Poly	BS	794.6	30.0	—	824.6	10.5	5,413
Charles O Rossotti **American Management Systems**	49	20	8	Georgetown Harvard	BA MBA	212.0	—	—	212.0	11.0	13,007
Rodger B Dowdell Jr **American Power Conversion**	41	5	5	Brown U of Rhode Island	BS MS	302.0	57.7	—	359.7	14.4	18,562
John A Powell **American Travellers**	46	28	2			401.7	70.5	81.3	553.5	2.9	3,835
A T Mollegen Jr **Analysis & Technology**	53	19	14	Yale	BS	190.7	14.3	68.2	273.2	4.1*	859
Frederick W Lang **Analysts Intl**	66	25	25	U of Minnesota	BBA BSEE	242.0	169.4	—	411.4	4.0*	2,109
Kenneth H Harper **Applied Bioscience Intl**	59	3	3	U of Manchester U of London	BS PhD	271.8	—	—	271.8	—	—

Stock prices as of Oct 12. *Includes family holdings. †Multiple stock classes have been combined. [1]Clayton K Trier is co-CEO.

The 200 Best Small Companies' Chief Executives

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val (000)
Eugene Applebaum **Arbor Drugs**	53	27	27	Wayne State	BS	$450.0	—	—	$450.0	53.7%	$74,212
F Sheridan Garrison **Arkansas Freightways**	56	8	8	U of Arkansas	BA	150.0	$3.0	—	153.0	55.0	51,185
Alvar J Green **Autodesk**	44	6	4	Eastern Michigan	BBA	280.6	—	$530.0	810.6	—[1]	323
Dale H Ballard **Ballard Medical Products**	67	12	12	U of Utah	BS	130.9	—	—	130.9	14.1*	19,077
Grahame N Clark Jr **Banctec**	47	10	3	U of Nebraska SMU	BA MBA	321.0	64.0	121.5	506.5	—[1]	17
Richard W Heath **BeautiControl Cosmetics**	48	10	10			515.9	—	—	515.9	20.0	14,126
Fred E Lager[2] **Ben & Jerry's Homemade**	36	8	2	U of Vermont USC	BA MBA	81.0	1.7	—	82.7	2.6	804
Harold S Schwenk Jr **BGS Systems**	49	14	14	Brown Harvard	BS PhD	304.5	6.8	—	311.3	20.6	11,342
Michael T Zak **BHA Group**	40	10	4			162.8	—	—	162.8	0.1†	101
Dane A Miller **Biomet**	44	13	13	General Motors Inst U of Cincinnati	BS PhD	211.6	—	—	211.6	5.5*	39,507
Max P Watson Jr **BMC Software**	44	5	1	Louisiana Tech	BBA	459.7	—	—	459.7[3]	0.5	1,956
Johannes S Bruggeling **Boole & Babbage**	45	12	2			343.5	—	—	343.5	3.0	1,284
Francis L Reed **Boston Acoustics**	57	11	11	Boston College	BA	258.0	—	—	258.0	15.8	5,740
Ira B Brown **Brandon Systems**	63	22	22	Merchant Marine Acad Drexel	BS MS	387.5	—	—	387.5	47.1	9,421
Allan L Bridgford **Bridgford Foods**	55	33	15	Stanford	BA	92.8	237.9	—	330.7	17.2	10,782
Roe H Hatlen **Buffets**	47	7	7	Pacific Lutheran Oregon U	BA MBA	156.7	—	—	156.7	7.3*	10,904
Jeffery S Goodman **Bytex**	43	3	3	Old Dominion U of Virginia	BS MBA	221.3	—	—	221.3	0.4	178
S Robert Levine **Cabletron Systems**	32	8	8	U of Miami	BS	1,039.4	—	—	1,039.4	35.8	165,716
Joseph B Costello **Cadence Design Systems**	36	6	2	Harvey Mudd Yale	BS MS	514.4	—	—	514.4	0.6	2,478
Robert G Teresi **Caere**	49	14	5	U of Santa Clara U of Santa Clara	BSC MBA	210.3	—	345.9	556.2	1.3	1,136
Thomas A McConomy **Calgon Carbon**	57	35	5	Carnegie-Mellon	BS	416.2	—	—	416.2	12.6	84,347
Clarke M Williams Jr **Century Tel Enterprises**	68	22	7	Northeast Jr Coll	BBA	522.1	179.7	1,368.1	2,069.9	0.1	495
Neal L Patterson **Cerner**	40	11	11	Oklahoma State Oklahoma State	BS MBA	127.5	0.6	—	128.1	13.4	3,431

Stock prices as of Oct 12. *Includes family holdings. †Multiple stock classes have been combined. [1]Holdings less than 0.1%. [2]On Jan. 1, 1991 Ben Cohen will become chief executive officer. [3]Became CEO April 1990. Salary is for office of vice president and chief operating officer.

The 200 Best Small Companies' Chief Executives

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	Stock owned mkt val (000)
John G Rangos Sr **Chambers Development**	61	19	19	•		$386.5	—	—	$386.5	39.4%*†	$382,427
Norman E Brinker **Chili's**	59	7	7	San Diego State U	BS	602.9	—	—	602.9	4.3	12,908
Richard T Farmer **Cintas**	55	33	22	Miami U (Ohio)	BA	337.4	$326.4	—	663.8	35.0	200,536
John P Morgridge **Cisco Systems**	57	2	2	U of Wisconsin Stanford	BBA MBA	180.1	—	—	180.1	5.0	13,263
Gayle O Averyt **Colonial Companies**	57	32	20	Davidson College Harvard	BS MBA	205.0	5.1	—	210.1	10.0†	22,642
David R Mueller **Comair Holdings**	38	13	7	U of Cincinnati	BA	371.8	1.9	$27.1	400.8	7.8*†	8,041
Richard L Crandall **Comshare**	47	24	20	U of Michigan U of Michigan	BS MS	446.3	23.5	1,775.0	2,244.8[1]	5.4	4,359
Dan M Palmer **Concord Computing**	47	5	1	Memphis State U	BA	170.0	—	—	170.0	—	—
Thomas Tomasetti **Consilium**	46	3	3	U of Lowell	BS	202.1	—	219.9	422.0	2.0	2,147
Thomas N Hendrickson **CPAC**	48	21	21	U of Wisconsin U of Rochester	BA MCE	364.0	4.2	—	368.2	10.4	1,412
Dan W Evins **Cracker Barrel Old Country Store**	55	21	21			424.1	19.3	—	443.4	2.5	6,729
Robert M Haft **Crown Books**	38	13	13	U of Pennsylvania Harvard	MS MBA	1,549.0	27.0	—	1,576.0	4.7[2]	3,706
Jack Farber **CSS Industries**	57	11	11	U of Pennsylvania	BS	475.0	20.7	—	495.7	47.8[3]	37,027
Robert C McMahan **DFSoutheastern**	50	21	2	U of Tennessee	BA	239.4	16.7	—	256.1	0.4	130
William H Gibbs **DH Technology**	46	5	5	U of Arkansas	BS	446.4	—	—	446.4	1.9	650
Sigi Ziering **Diagnostic Prods**	62	18	17	Brooklyn College Syracuse	BS MS, PhD	346.0	—	—	346.0	20.9*	75,294
John P Schinas **Digi International**	53	5	5	U of Texas Northeastern	BS MS	236.8	—	—	236.8	24.1	11,160
William E Gibson **Digital Microwave**	50	7	7	U of Notre Dame U of Notre Dame	BS MBA	162.7	—	—	162.7	6.5	9,001
Michael L Darland **Digital Systems Intl**	48	10	10	U of Washington U of Washington	BA MA	304.2	1.5	—	305.7	20.7*	19,105
John A Couri **Duty Free Intl**	49	8	8	Syracuse	BA	425.0	—	—	425.0	7.5[4]	15,080
Thomas R Pledger **Dycom Inds**	52	6	6			312.0	—	—	312.0	2.2*	2,661
Gerhard J Neumaier **Ecology & Environment**	53	20	20	General Motors Inst U of Buffalo	BME MA	212.0	—	—	212.0	22.9	10,793
William M Hawkins III **Electronic Arts**	36	8	8	Harvard Stanford	BA MBA	258.6	76.6	—	335.2	10.7	7,750

Stock prices as of Oct 12. *Includes family holdings. †Multiple stock classes have been combined. [1]For fiscal year ending June 30, 1989. [2]Most shares owned indirectly through Robert M Haft's interest in Dart Group, which owns 53.5% of Crown Books. [3]Includes ownership through Philadelphia Industries. [4]Stockholdings include CEO's proportional interest in IDF Services.

The 200 Best Small Companies' Chief Executives

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val (000)
Malcolm Waddell **EnClean**	38	8	8	Rice Harvard	BA MBA	$123.5	—	—	$123.5[1]	5.6%	$2,601
Peter J Rose **Expeditors Intl of Washington**	47	9	2			390.3	$0.8	—	391.1	5.0*	4,631
Robert A Kierlin **Fastenal**	51	23	23	U of Minnesota U of Minnesota	BS MA	120.0	—	—	120.0	19.6	32,541
William P Foley II **Fidelity National Finl**	45	9	9	West Point Seattle U	BS MBA	817.7	—	—	817.7	34.5	11,356
William S Mortensen **FirstFed Financial**	57	35	21	USC	BA	454.6	—	—	454.6	1.0	1,224
George D Dalton **Fiserv**	62	6	6	Northwestern	BBS	297.8	14.2	$27.0	339.0	1.7	3,078
Albert L Ueltschi **FlightSafety Intl**	73	39	39			298.9	—	—	298.9	34.8	485,407
John R Potter **FlowMole**	45	7	3	Harvard MIT	BA MS	248.6	638.2	—	886.8	2.2	885
Howard Solomon **Forest Labs**	63	13	13	CCNY Yale	BS LLB	340.2	10.5	—	350.7	1.7	12,896
James W Kennedy **Forschner Group**	40	15	2	Fordham	BA	278.1	3.8	—	281.9	—[5]	—
Charles B Johnson **Franklin Resources**	57	33	19	Yale	BA	452.4	18.2	—	470.6	20.6	196,139
George W Townson **Frederick's of Hollywood**	49	5	5			323.3	—	—	323.3[2]	—	—
Walter A Rhulen **Frontier Insurance Group**	59	28	28	U of Connecticut	BS	207.3	12.0	—	219.3	16.2†	13,636
Richard Fink **G&K Services**	60	26	20	U of Minnesota Oxford	BA BPhil	286.2	16.0	—	302.2	8.3†	10,345
Joseph D Macchia **Gainsco**	55	12	12	Fairfield	BS	380.4	15.3	—	395.7	12.6	5,243
John J McDonough **Gendex**	54	7	7	U of Notre Dame	BS	239.0	—	—	239.0	33.1	12,350
Robert L Paulson **Geodynamics**	53	1	1	Michigan Tech Inst Air Force Inst of Tech	BS MS	179.3	19.4	—	198.7	0.1	26
Jack W Brown **Gish Biomedical**	50	10	10	U of Iowa	BA	176.4	—	171.0	347.4	2.1	650
David C Wetmore **Goal Systems Intl**	42	2	1	U of Notre Dame Ohio State	BBA MBA	331.1	8.9	—	340.0[3]	0.1	145
Ronald A Unkefer **Good Guys**	46	17	14	Cleveland State U	BA	260.4	2.8	—	263.2	41.3	32,594
David A Koch **Graco**	60	34	28	St Thomas College	BA	423.1	97.5	—	520.6	31.5	39,692
Gerard M Martin **Greenery Rehabilitation Group**	56	14	14			280.3	6.0	—	286.3	52.9*	38,979
Robert S Bowen **Group 1 Software**	52	7	4	Northwestern Harvard	BS MBA	608.8	—	—	608.8[4]	0.3	63

Stock prices as of Oct 12. *Includes family holdings. †Multiple stock classes have been combined. [1]For fiscal year ended June 1989. [2]Compensation for year ended August 1989. [3]Became chief executive officer February 1990. Salary is for office of president and chief operating officer. [4]CEO compensated by Comnet, which owns 82.9% of firm's stock. [5] Less than 0.01%.

The 200 Best Small Companies' Chief Executives

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val (000)
Donald T Goldberg **GZA GeoEnvironmental Tech**	62	26	26	Tufts MIT	BA MBA	$237.1	$27.6	—	$264.7	11.0%	$2,446
Richard P Prezio **Harding Associates**	45	8	2	Bentley Coll (Mass)	BS	265.4	—	—	265.4	—[1]	21
Bradford W Mitchell **Harleysville Group**	63	14	12	U of Maine Boston U	 LLB	377.4	—	—	377.4	0.1	75
James C Smith **Healthcare Compare**	49	6	6	Northeastern	BA	367.2	—	—	367.2	4.6	5,297
Daniel P McCartney **Healthcare Svcs Group**	39	14	14	Villanova	BS	196.7	—	—	196.7	9.3	8,362
Russell A Gerdin **Heartland Express**	49	12	12	Moorhead State	BA	300.0	—	—	300.0	64.0	52,784
Stanley G Peschel **Hipotronics**	60	28	28	Union College	BSE	211.0	—	—	211.0	9.5	3,083
Kent H Kerkhof **Home Nutritional Svcs**	41	3	1	Butler U Butler U	BS MS	149.5	0.5	$17.0	167.0	—	—
James M McNamee **Hooper Holmes**	45	22	6	Regis College Fairleigh Dickinson	BS MBA	192.5	—	—	192.5	0.6	175
Narendra K Gupta **Integrated Systems**	42	10	10	Calif Inst of Tech Stanford	MS PhD	139.8	—	—	139.8	41.5*	28,056
Cornelius C Banderstar **Intl Aluminum**	75	33	33			209.9	7.9	—	217.8	38.5*	36,608
Michael P Sullivan **Intl Dairy Queen**	55	17	3	Marquette U of Minnesota	BS JD	442.2	—	—	442.2	0.2†	1,040
Ralph R Weiser **Intl Recovery**	65	6	6	NYU Harvard	BA JD	427.8	—	—	427.8	7.4	3,713
M Keith McKinney Jr **Intertrans**	46	12	1	Louisiana Tech	BA	156.4	—	—	156.4[2]	8.3	5,082
Robert W Norton **IPL Systems**	45	14	5	U of Massachusetts	BS	99.5	—	—	99.5	0.1*	30
John L Grove **JLG Industries**	69	21	21			400.0	7.6	—	407.6	19.7	8,795
Terence S Malone **Johnson Worldwide Associates**	60	34	6	Dartmouth Dartmouth	BA MBA	393.5	31.6	—	425.1	0.8†	1,273
Dennis M Jones **Jones Medical Inds**	52	9	9			142.8	12.6	—	155.4	32.2	15,566
Robert S Fremont **Juno Lighting**	65	15	15	NYU	BA	394.0	30.0	—	424.0	13.0	16,473
Lawrence J Cawley **Kaydon**	56	5	3	Cleveland State	BME	187.1	257.5	—	444.6	0.3	690
John F Keane **Keane**	59	25	25	Harvard Harvard	BA MBA	194.8	3.6	—	198.4	41.6†	25,525
Morrie K Abramson **Kent Electronics**	55	16	16	U of Houston	BA	371.7	6.4	—	378.1	9.4	3,706
Bernard Kalish **Lawson Products**	53	34	1			230.0	22.4	—	252.4[3]	—[1]	80

Stock prices as of Oct 12. *Includes family holdings. †Multiple stock classes have been combined. [1]Holdings less than 0.1%. [2]Became CEO on Jan. 30, 1990. Compensation earned as executive vice president and director. [3]Annualized salary.

The 200 Best Small Companies' Chief Executives

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val (000)
Donald Jonas **Lechters**	61	15	15			$60.0	$33.2	—	$93.2	34.0%*	$28,625
Joe M Henson **Legent**	57	1	1	U of Arkansas	BA	500.0	—	—	500.0[1]	—	—
Robert W Lindal **Lindal Cedar Homes**	43	21	9	U of British Columbia	BE	153.1	3.5	—	156.6	10.5	1,398
Gary D Parker **Lindsay Manufacturing**	45	19	6	Nebraska Wesleyan	BS	250.0	15.0	$220.0	485.0	0.7	310
Robert H Swanson Jr **Linear Technology**	52	9	9	Northeastern	BS	269.1	—	—	269.1	3.2	4,914
Samuel B Davis **Liqui-Box**	47	27	8	Ohio State	BA	875.9	10.1	1,154.3	2,040.3	12.1*	15,195
Ralph Erben **Luby's Cafeterias**	59	30	1	Baylor	BA	258.4	9.6	—	268[2]	0.5	2,266
Joseph F Gloudeman **MacNeal-Schwendler**	55	12	5	Marquette U of Stuttgart	BS MS, Dr Ing	333.0	27.0	—	360.0	3.4	2,768
John F Gifford **Maxim Integrated Prods**	49	7	7	UCLA	BS	357.0	—	—	357.0	2.6	2,498
William O Bailey **MBIA**	64	3	3	Dartmouth College U of Pennsylvania	BA MBA	720.0	426.8	—	1,146.8	—[3]	300
Robert P McGrath **McGrath RentCorp**	57	11	11	U of Notre Dame	BS	293.7	53.4	—	347.1	33.9	27,749
Craig Waldbillig **Medex**	64	31	19	Boston U	BS	183.0	5.8	—	188.8[4]	13.2*	9,523
David A Abrahamson **Medicine Shoppe Intl**	51	5	1	U of Illinois Harvard	BS MBA	147.4	3.1	80.0	230.5[5]	0.1	121
Ernest G Ludy **Medstat Systems**	44	9	9	U of Detroit U of Detroit	BA MA	228.8	—	—	228.8	32.1	7,805
James W Crook **Melamine Chemicals**	60	18	3	Mississippi State U	BS	134.1	4.4	—	138.5	0.3	127
Christopher J Conway **Mentor**	51	21	21			302.8	—	—	302.8	4.0	5,664
John E Reed **Mestek**	74	46	46	Yale Northeastern	BA LLB	559.3	15.2	—	574.5	36.8*	17,643
Walter A Everett **Met-Pro**	68	24	24			700.8	—	—	700.8	0.5	207
Salvatore M Caravetta **Micro Healthsystems**	64	19	19	Penn State	BA	149.0	—	—	149.0	37.7*	9,810
William N Mayer **Modern Controls**	60	19	3	U of Wisconsin	BS	217.0	1.1	54.4	272.5	3.5	1,422
Michael S Starnes **MS Carriers**	45	13	4	U of Mississippi	BBA	332.3	63.0	—	395.3	34.4	17,489
Stephen E Myers **Myers Industries**	46	27	6	Harvard	BA	190.0	6.0	5.7	201.7	9.1	9,237
O Gene Bicknell **National Pizza**	58	28	28			314.6	6.0	—	320.6	56.0	137,497

Stock prices as of Oct 12. *Includes family holdings. [1]Became CEO November 1989; annualized figure. [2]Appointed CEO January 1990. Salary is for serving as chief operating officer and president. [3]Holdings less than 0.1%. [4]For fiscal year ended June 1989. [5]Became CEO May 1990. Salary is for office of senior vice president.

The 200 Best Small Companies' Chief Executives

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val (000)
C Raymond Larkin Jr **Nellcor**	42	7	1	LaSalle College	BS	$353.8	$16.7	—	$370.5	0.7%	$981
Patrick S Smith **New England Critical Care**	38	9	9	John Carroll U	BS	387.4	—	—	387.4	2.7	6,932
Robert Shaye **New Line Cinema**	51	23	23	U of Michigan Columbia	BA JD	600.0	3.9	—	603.9	28.6	17,332
Albert L Nichols **Nichols Institute**	56	20	20	Loyola U Marquette U	BS MD	835.3	—	—	835.3	19.4	34,451
Chris H Horgen **Nichols Research**	43	14	14	Iowa State USC	BS MS	205.7	—	—	205.7	13.8	4,032
Mark W Blackman **NYMagic**	39	13	2	Stanford Stanford	BA JD	—	—	—	—[1]	19.3[2]	34,803
Ahmed D Kafadar **OEA**	75	33	33	Colo School of Mines Colo School of Mines	EM MEM	278.8	—	—	278.8	14.0*	25,850
Thomas B Boklund **Oregon Steel Mills**	51	17	5	Tri-State College	BS	402.5	18.3	—	420.8	1.0	2,563
Charles F Hyde **Oshkosh B'Gosh**	70	42	24	Wesleyan U	BA	571.8	59.4	—	631.2	2.9*†	9,168
David J Eskra **Pansophic Systems**	49	11	6	St Mary's (Winona)	BA	385.0	4.2	—	389.2	0.9	1,490
William A Inglehart **Payco American**	58	2	1	U of Arizona	BA	202.0	2.2	—	204.2	—[3]	23
Irving Levit **Penn Treaty American**	61	19	19			152.8	—	—	152.8[4]	35.3	12,307
John F Cogan Jr **Pioneer Group**	64	28	27	Harvard Harvard	BS JD	460.9	0.2	—	461.1	16.8	17,283
G Larry Wilson **Policy Management Sys**	44	24	9	U of South Carolina U of South Carolina	BS MBA	506.9	158.8	—	665.7	0.5	3,129
David J McDonnell **Preferred Health Care**	48	6	2	St Mary's (Baltimore) U of Pennsylvania	BA DSW	200.0	—	$215.1	415.1	1.4	1,154
Peter A Benoliel **Quaker Chemical**	58	33	24	Princeton	BA	293.0	27.7	—	320.7	9.2	11,284
David A Christensen **Raven Industries**	55	28	19	S Dakota State U	BS	315.0	23.2	—	338.2	3.2*	1,054
Thomas A James **Raymond James Financial**	48	24	21	Harvard Harvard	BA MBA	624.7	30.0	—	654.7	33.4	27,583
Gerald E McGinnis **Respironics**	56	19	19	U of Illinois U of Pittsburgh	BS MS	175.0	24.6	—	199.6[5]	14.4	6,768
John W Rollins **Rollins Environmental Svcs**	74	22	2			360.0	—	—	360.0	7.7	35,837
Charles D Way **Ryan's Family Steak Houses**	37	11	1	Clemson	BS	125.5	—	—	125.5	0.6	1,725
Steven J Halmos **SafeCard Services**	42	21	3	Georgia Tech Georgia Tech	BS MBA	2,660.3	17.4	—	2,677.7[6]	5.9	9,305
Kevin J Burns **Sage Software**	41	8	4	Ohio State U U of Colorado	BS MBA	218.4	—	—	218.4	3.6	2,203

Stock prices as of Oct 12. *Includes family holdings. †Multiple stock classes have been combined. [1]Compensation is from a management consulting pool, amount indeterminate. [2]Indirect ownership through CEO's 50% ownership of three insurance companies that have interest in NYMagic. [3]Holdings less than 0.1%. [4]CEO also receives commissions from the Irv Levit Insurance Management Corp. [5]For fiscal year ended June 30, 1989. [6]CEO not compensated directly by company.

The 200 Best Small Companies' Chief Executives

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val (000)
Lawrence A Lemkuhl **St Jude Medical**	53	5	5	U of Iowa	BBA	$377.3	$27.4	—	$404.7	0.3%	$3,108
Henry B Pearsall **Sanford**	56	21	3	Amherst U of Michigan	BA JD	571.0	—	—	571.0	4.7	15,503
Mario Sbarro **Sbarro**	48	13	6			279.4	—	—	279.4	11.3	34,921
Marvin W Ozley **Sealright**	56	24	2	Southwest Missouri	BS	265.9	4.7	—	270.6	1.7	2,918
Gary R Christophersen **Seattle FilmWorks**	44	9	2	Whitman College U of Washington	BA MBA	153.1	—	—	153.1	4.5	499
Stephen F Ryan **Selas**	55	2	2	Iona College U of Connecticut	BBA MBA	187.5	—	—	187.5	—[1]	4
Kenneth A Williams **Sierra On-Line**	36	10	10			254.1	—	—	254.1	19.4*	8,511
Fred M Gibbons **Software Publishing**	41	10	10	U of Michigan Harvard	BS MBA	265.0	35.6	—	300.6	5.5	11,119
Winston H Chen **Solectron**	49	12	6	Natl Cheng Kung U Harvard	BS MS, PhD	233.1	—	—	233.1	14.0	7,181
Phinn W Townsend **Southern Mineral**	63	6	3			127.5	—	—	127.5	0.4	80
Robert R Hawk **Spaghetti Warehouse**	63	18	18	Oregon State College	BS	182.0	—	—	182.0	13.5	6,680
Douglas R Starrett **LS Starrett**	70	38	38			237.4	23.6	$8.1	269.1	4.6	3,462
Ronald J Friedman **Structural Dynamics Research**	47	4	4	NYU	BS	428.5	2.5	37.5	468.5	0.3	704
John W Brown **Stryker**	56	14	14	Auburn	BS	390.0	21.6	—	411.6	4.8	25,538
Robert J Sullivan **Sullivan Dental Products**	60	10	10			258.1	1.5	—	259.6	27.5	14,117
James L Mann **SunGard Data Systems**	56	8	8	Wichita State	BS	382.4	6.0	—	388.4	0.7	1,502
Louis L Borick **Superior Industries Intl**	66	33	33			925.0	—	—	925.0	23.5*	32,118
Martin J Wygod **Synetic**	59	7	7			81.3	62.8	—	144.1[2]	3.1	3,618
Roger E Covey **System Software Associates**	36	9	9	U of Illinois U of Chicago	BS MBA	235.0	—	—	235.0	35.0	56,700
Thomas E Haire **T2 Medical**	46	7	7	Central Michigan U	BS	257.5	18.1	1,793.9	2,069.5	2.1	5,141
Thomas M Fulton **Tech-Ops Landauer**	56	12	3	Dartmouth	BA	221.3	—	—	221.3	1.5	1,633
Bernard F Start **Tech-Ops Sevcon**	52	13	3	SE London Tech Coll	BA	196.3	—	—	196.3	2.4	289
Victor A Rocchio **Technalysis**	63	23	23	U of Minnesota	BA	318.5	—	—	318.5	15.1	2,681

Stock prices as of Oct 12. *Includes family holdings. [1]Holdings less than 0.1%. [2]For fiscal year ending June 1989. Compensated by Medco Containment Services, which owns 73.5% of Synetic.

The 200 Best Small Companies' Chief Executives

Chief executive Company	Age	Years with co	Years as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned %	mkt val (000)
Roger L Hale **Tennant**	55	29	14	Brown Harvard	BA MBA	$473.8	$46.1	—	$519.9	3.6%	$4,948
Arvin H Smith **Thermo Instrument Systems**	61	20	4	TCU	BS	120.0	—	—	120.0[1]	0.2[2]	541
Melvin J Gordon **Tootsie Roll Industries**	70	38	28	Harvard Harvard	AB MBA	582.5	30.0	—	612.5	19.0*†	66,533
Richard W Ussery **Total System Services**	43	25	8	Auburn	BA	220.0	30.0	—	250.0	0.1	762
Robert J Higgins **Trans World Music**	49	17	17			1,038.6	86.7	—	1,125.3	67.2	106,514
Stephen F Bullock **TriCare**	37	5	5	U of Arizona	BS	210.0	—	—	210.0	6.8*	1,294
John P O'Leary Jr **Tuscarora Plastics**	43	19	1	Gettysburg College U of Pennsylvania	BA MBA	183.3	0.9	—	184.2[3]	1.6	868
Ralph W Leatherby **UniCare Finl**	65	11	11	Iowa Wesleyan	BA	153.2	3.1	—	156.3	60.0*	38,850
Aldo A Croatti **Unifirst**	72	50	40			228.0	19.6	—	247.6	52.4	80,497
Jon W Rotenstreich **United Investors Mgmt**	47	7	4	Univ of Alabama	BS	405.7	15.0	—	420.7[4]	0.1	720
Aaron D Spencer **Uno Restaurant**	59	11	11	Boston U	BS	175.8	—	—	175.8	59.1	40,146
William Dean Wallace **Utah Medical Products**	43	7	4	Brigham Young U of Utah	BS MD, PhD	160.6	—	—	160.6	4.2	2,701
JM Wayne Code **Vallen**	60	5	5	U of Saskatchewan	BS	250.1	9.6	$1,406.3	1,666.0	1.7	1,744
Steven J Appel **Value Merchants**	48	1	1	U of Wisconsin	BBA	200.0	—	—	200.0[5]	—	—
W Bruce Lunsford **Vencor**	43	5	5	U of Kentucky Northern Kentucky U	BA JD	219.4	—	—	219.4	17.0	11,705
J Rex Vardeman **Vertex Communications**	51	6	6	Texas Tech SMU	BS MS	172.0	—	—	172.0	9.6	1,404
Patrizio Vinciarelli **Vicor**	44	9	9	U of Rome	PhD	100.0	7.7	—	107.7	60.6†	61,157
Elliot K Knutson **Washington Fed S&L**	66	28	7			277.9	40.1	—	318.0	1.6	8,182
Timothy P Horne **Watts Industries**	52	31	12	Trinity College	BA	579.2	—	—	579.2	11.9	51,905
Richard S Bradley **Weigh-Tronix**	62	18	9			190.3	14.7	—	205.0	0.9	284
Clarence L Werner **Werner Enterprises**	53	34	34			539.9	—	—	539.9	48.2	60,824
Kosti Shirvanian **Western Waste Inds**	60	35	35			549.2	—	—	549.2	38.6	79,307
W Howard Lester **Williams-Sonoma**	55	12	12	U of Oklahoma	BA	228.5	—	—	228.5	14.0	21,872

Stock prices as of Oct 12. *Includes family holdings. †Multiple stock classes have been combined. [1]Chief executive is paid by Thermo Electron. Figures are for fiscal year ended July 1989. [2]Includes shares owned through Thermo Electron. [3]Salary as president of company, became CEO Jan. 1, 1990. [4]CEO is compensated by Torchmark, which owns 84.5% of company. [5]Pay reflects position of president.

Company Directory

To find out more about the 200 best small companies in America, use the alphabetical directory below, which tells how they rank by return on equity, sales, profits and market value, and how to contact them. Use the 5-year return on equity ranking to find a company in the tables on page 242.

			Where they rank					
Company	Exch	Ticker symbol	5-year average ROE	sales	profits	market value	City, state	Telephone
A&W Brands	o	SODA	190	88	78	47	White Plains, NY	914-397-1700
Acuson	n	ACN	43	25	8	6	Mountain View, CA	415-969-9112
Adaptec	o	ADPT	178	85	54	104	Milpitas, CA	408-945-8600
ADC Telecommunications	o	ADCT	109	30	37	44	Bloomington, MN	612-835-6800
Adobe Systems	o	ADBE	7	72	9	26	Mountain View, CA	415-961-4400
Advanced Telecommunications	o	ATEL	91	4	27	33	Atlanta, GA	404-261-5885
Allwaste	o	ALWS	17	46	63	50	Houston, TX	713-623-8777
Aloette Cosmetics	o	ALET	105	186	155	173	Malvern, PA	215-644-8200
Alza	a	AZA	199	101	38	3	Palo Alto, CA	415-494-5000
American List	a	AMZ	16	200	148	144	Great Neck, NY	516-466-0602
American Management Sys	o	AMSY	131	32	89	91	Arlington, VA	703-841-6000
American Power Conversion	o	APCC	13	148	109	81	West Kingston, RI	401-789-5735
American Travellers	o	ATVC	96	130	97	80	Warrington, PA	215-343-1000
Analysis & Technology	o	AATI	149	99	164	190	North Stonington, CT	203-599-3910
Analysts Intl	o	ANLY	75	94	125	143	Minneapolis, MN	612-835-2330
Applied Bioscience Intl	o	APBI	174	133	131	66	East Millstone, NJ	201-873-2550
Arbor Drugs	o	ARBR	132	2	81	75	Troy, MI	313-643-9420
Arkansas Freightways	o	AFWY	25	86	120	106	Harrison, AR	501-741-9000
Autodesk	o	ACAD	34	42	7	7	Sausalito, CA	415-332-2344
Ballard Med Products	o	BMED	37	174	128	78	Midvale, UT	801-566-4693
BancTec	o	BTEC	160	53	83	119	Dallas, TX	214-450-7700
BeautiControl Cosmetics	o	BUTI	18	145	127	129	Dallas, TX	214-458-0601
Ben & Jerry's Homemade	o	BJICA	150	126	183	180	Waterbury, VT	802-244-5641
BGS Systems	o	BGSS	117	185	140	141	Waltham, MA	617-891-0000
BHA Group	o	BHAGA	88	127	139	113	Kansas City, MO	816-356-8400
Biomet	o	BMET	74	62	15	10	Warsaw, IN	219-267-6639
BMC Software	o	BMCS	3	98	36	25	Sugar Land, TX	713-240-8800
Boole & Babbage	o	BOOL	48	105	129	163	Sunnyvale, CA	408-735-9550
Boston Acoustics	o	BOSA	51	177	165	170	Lynnfield, MA	617-592-9000
Brandon Systems	o	BRDN	76	164	185	192	Secaucus, NJ	201-392-0800
Bridgford Foods	o	BRID	68	115	156	135	Anaheim, CA	714-526-5533
Buffets	o	BOCB	110	80	112	70	Eden Prairie, MN	612-942-9760

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Company Directory

Company	Exch	Ticker symbol	Where they rank: 5-year average ROE	sales	profits	market value	City, state	Telephone
Bytex	o	BYTX	189	155	144	167	Southborough, MA	508-480-0840
Cabletron Systems	n	CS	2	77	24	20	East Rochester, NH	603-332-9400
Cadence Design Systems	n	CDN	56	58	12	24	San Jose, CA	408-943-1234
Caere	o	CAER	148	183	138	110	Los Gatos, CA	408-395-7000
Calgon Carbon	o	CRBN	39	21	10	12	Pittsburgh, PA	412-787-6700
Century Telephone Enterprises	n	CTL	176	33	23	11	Monroe, LA	318-388-9500
Cerner	o	CERN	120	138	175	186	Kansas City, MO	816-221-1024
Chambers Development	a	CDVB	133	36	17	4	Pittsburgh, PA	412-242-6237
Chili's	n	EAT	141	1	45	36	Dallas, TX	214-980-9917
Cintas	o	CTAS	113	10	21	15	Cincinnati, OH	513-489-4000
Cisco Systems	o	CSCO	15	125	67	39	Menlo Park, CA	415-326-1941
Colonial Cos	o	CLACB	177	12	19	48	Columbia, SC	803-798-7000
Comair Holdings	o	COMR	165	64	68	98	Cincinnati, OH	606-525-2550
Comshare	o	CSRE	188	96	114	118	Ann Arbor, MI	313-994-4800
Concord Computing	o	CEFT	52	162	145	124	Memphis, TN	901-371-8000
Consilium	o	CSIM	151	171	135	96	Mountain View, CA	415-691-6100
CPAC	o	CPAK	92	178	197	197	Leicester, NY	716-382-3223
Cracker Barrel Old Country Store	o	CBRL	183	37	58	38	Lebanon, TN	615-444-5533
Crown Books	o	CRWN	168	40	82	121	Landover, MD	301-731-1200
CSS Industries	a	CSS	31	74	60	122	Philadelphia, PA	215-569-9900
DFSoutheastern	o	DFSE	196	26	72	178	Decatur, GA	404-371-4000
DH Technology	o	DHTK	59	153	115	172	San Diego, CA	619-451-3485
Diagnostic Products	n	DP	71	128	48	28	Los Angeles, CA	213-776-0180
Digi Intl	o	DGII	5	191	152	156	Minneapolis, MN	612-922-8055
Digital Microwave	o	DMIC	73	83	71	74	San Jose, CA	408-943-0777
Digital Systems	o	DGTL	66	175	134	107	Redmond, WA	206-881-7544
Duty Free Intl	o	DFII	77	103	74	52	Ridgefield, CT	203-431-6057
Dycom Inds	n	DY	97	67	93	88	West Palm Beach, FL	407-659-6301
Ecology & Environment	a	EEI	181	121	146	153	Lancaster, NY	716-684-8060
Electronic Arts	o	ERTS	67	117	118	126	San Mateo, CA	415-571-7171
EnClean	o	ENCL	122	144	189	155	Alvin, TX	713-331-8335
Expeditors Intl Wash	o	EXPD	62	50	92	105	Seattle, WA	206-246-3711
Fastenal	o	FAST	41	149	130	60	Winona, MN	507-454-5374
Fidelity National Financial	a	FNF	166	57	124	176	Irvine, CA	714-852-9770
FirstFed Financial	n	FED	124	20	25	89	Santa Monica, CA	213-319-6000
Fiserv	o	FISV	179	59	73	56	West Allis, WI	414-546-5000
FlightSafety Intl	n	FSI	95	24	3	1	Flushing, NY	718-565-4100
FlowMole	o	MOLE	146	156	161	166	Kent, WA	206-395-0200
Forest Labs	a	FRX	184	71	14	8	New York, NY	212-421-7850
Forschner Group	o	FSNR	14	150	173	191	Shelton, CT	203-929-6391
Franklin Resources	n	BEN	4	13	2	5	San Mateo, CA	415-378-2000
Frederick's of Hollywood	a	FHO	194	104	154	151	Los Angeles, CA	213-466-5151

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Company Directory

Company	Exch	Ticker symbol	Where they rank: 5-year average ROE	sales	profits	market value	City, state	Telephone
Frontier Insurance Group	o	FRTR	46	116	84	111	Monticello, NY	914-796-2100
G&K Services	o	GKSRA	142	84	87	86	Minneapolis, MN	612-546-7440
Gainsco	a	GNA	104	154	126	164	Fort Worth, TX	817-483-0007
Gendex	o	XRAY	106	170	182	169	Milwaukee, WI	414-769-2888
Geodynamics	o	GDYN	143	140	163	185	Santa Barbara, CA	805-964-9905
Gish Biomedical	o	GISH	182	192	195	179	Santa Ana, CA	714-261-1330
Goal Systems	o	GOAL	27	114	79	59	Columbus, OH	614-888-1775
Good Guys	o	GGUY	171	18	113	120	San Francisco, CA	415-885-2121
Graco	n	GGG	78	9	56	84	Minneapolis, MN	612-623-6000
Greenery Rehabilitation Group	n	GRG	87	106	111	125	Cambridge, MA	617-244-4744
Group 1 Software	o	GSOF	24	189	177	189	Greenbelt, MD	301-982-2000
GZA GeoEnvironmental Tech	o	GZEA	94	165	181	188	Newton Upper Falls, MA	617-969-0700
Harding Associates	o	HRDG	129	123	141	127	Novato, CA	415-892-0821
Harleysville Group	o	HGIC	172	3	32	92	Harleysville, PA	215-256-5000
HealthCare Compare	o	HCCC	127	163	174	93	Downers Grove, IL	708-719-9000
Healthcare Svcs Group	o	HCSG	197	135	143	108	Huntington Valley, PA	215-938-1661
Heartland Express	o	HTLD	23	141	117	115	Coralville, IA	319-645-2728
Hipotronics	a	HIP	45	179	170	177	Brewster, NY	914-279-8091
Home Nutritional Svcs	o	HNSI	26	122	104	79	Parsippany, NJ	201-515-4900
Hooper Holmes	a	HH	152	110	180	182	Basking Ridge, NJ	201-766-5000
Integrated Systems	o	INTS	21	194	179	132	Santa Clara, CA	408-980-1500
International Aluminum	n	IAL	167	41	62	103	Monterey Park, CA	213-264-1670
International Dairy Queen	o	INDQA	11	14	26	23	Minneapolis, MN	612-830-0200
International Recovery	n	INT	72	66	150	148	Miami Springs, FL	305-884-2001
Intertrans	o	ITRN	118	87	132	136	Irving, TX	214-929-8888
IPL Systems	o	IPLSA	114	187	160	158	Waltham, MA	617-890-6620
JLG Industries	o	JLGI	136	75	102	160	McConnellsburg, PA	717-485-5161
Johnson Worldwide Assocs	o	JWAIA	47	17	52	63	Racine, WI	414-631-2100
Jones Medical Inds	o	JMED	89	193	187	150	St Louis, MO	314-432-7557
Juno Lighting	o	JUNO	44	112	66	82	Des Plaines, IL	708-827-9880
Kaydon	o	KDON	20	68	31	42	Muskegon, MI	616-755-3741
Keane	a	KEA	63	108	151	137	Boston, MA	617-241-9200
Kent Electronics	n	KNT	175	142	172	168	Houston, TX	713-780-7770
Lawson Products	o	LAWS	49	56	34	30	Des Plaines, IL	708-827-9666
Lechters	o	LECH	79	65	95	112	Harrison, NJ	201-481-1100
Legent	o	LGNT	82	70	18	27	Vienna, VA	703-734-9494
Lindal Cedar Homes	o	LNDL	58	147	190	198	Seattle, WA	206-725-0900
Lindsay Manufacturing	o	LINZ	12	102	106	159	Lindsay, NE	402-428-2131
Linear Technology	o	LLTC	185	119	80	69	Milpitas, CA	408-432-1900
Liqui-Box	o	LIQB	54	89	90	85	Worthington, OH	614-888-9280
Luby's Cafeterias	n	LUB	93	7	16	21	San Antonio, TX	512-654-9000
MacNeal-Schwendler	a	MNS	42	146	88	117	Los Angeles, CA	213-258-9111

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Company Directory

Company	Exch	Ticker symbol	Where they rank: 5-year average ROE	sales	profits	market value	City, state	Telephone
Maxim Integrated Products	o	MXIM	157	137	108	102	Sunnyvale, CA	408-737-7600
MBIA	n	MBI	180	48	1	9	Armonk, NY	914-273-4545
McGrath RentCorp	o	MGRC	84	151	103	116	San Lorenzo, CA	415-276-2626
Medex	o	MDEX	163	152	157	128	Hilliard, OH	614-876-2413
Medicine Shoppe Intl	o	MSII	103	168	101	71	St Louis, MO	314-993-6000
Medstat Systems	o	MDST	86	197	199	187	Ann Arbor, MI	313-996-1180
Melamine Chemicals	o	MTWO	1	159	107	157	Donaldsonville, LA	504-473-3121
Mentor	o	MNTR	98	139	99	73	Goleta, CA	805-967-3451
Mestek	n	MCC	64	54	96	152	Westfield, MA	413-568-9571
Met-Pro	a	MPR	170	158	168	162	Harleysville, PA	215-723-6751
Micro Healthsystems	o	MCHS	164	199	200	184	West Orange, NJ	201-731-9252
Modern Controls	o	MOCO	65	198	184	165	Minneapolis, MN	612-560-2900
MS Carriers	o	MSCA	107	92	100	147	Memphis, TN	901-332-2500
Myers Industries	a	MYE	134	47	85	100	Akron, OH	216-253-5592
National Pizza	o	PIZA	69	35	57	43	Pittsburg, KS	316-231-3390
Nellcor	o	NELL	138	76	64	72	Hayward, CA	415-887-5858
New England Critical Care	o	NECC	200	95	86	41	Westborough, MA	508-836-3610
New Line Cinema	a	NLN	101	91	123	139	New York, NY	212-239-8880
Nichols Institute	a	LAB	192	73	121	57	San Juan Capistrano, CA	714-661-8000
Nichols Research	o	NRES	108	120	162	183	Huntsville, AL	205-883-1140
NYMagic	o	NYMG	111	107	42	55	New York, NY	212-953-0580
OEA	a	OEA	186	118	98	54	Denver, CO	303-693-1248
Oregon Steel Mills	n	OS	130	19	30	40	Portland, OR	503-286-9651
Oshkosh B'Gosh	o	GOSHA	28	6	11	34	Oshkosh, WI	414-231-8800
Pansophic Systems	n	PNS	119	34	20	62	Lisle, IL	708-505-6000
Payco American	o	PAYC	147	97	142	94	Brookfield, WI	414-784-9035
Penn Treaty American	o	PTAC	70	160	133	171	Allentown, PA	215-965-2222
Pioneer Group	o	PIOG	38	132	55	97	Boston, MA	617-742-7825
Policy Mgmt Sys	n	PMS	187	8	13	13	Columbia, SC	803-735-4000
Preferred Health Care	a	PY	32	172	153	109	Wilton, CT	203-762-0993
Quaker Chemical	o	QCHM	161	52	76	87	Conshohocken, PA	215-828-4250
Raven Industries	a	RAV	173	109	147	174	Sioux Falls, SD	605-336-2750
Raymond James Financial	n	RJF	153	23	47	114	St Petersburg, FL	813-573-3800
Respironics	o	RESP	35	184	186	154	Murrysville, PA	412-373-8114
Rollins Environmental Svcs	n	REN	83	51	28	19	Wilmington, DE	302-479-3455
Ryan's Family Steak Houses	o	RYAN	112	22	33	37	Greer, SC	803-879-1000
SafeCard Services	n	SSI	22	82	29	65	Fort Lauderdale, FL	305-776-2500
Sage Software	o	SGSI	195	176	167	138	Rockville, MD	301-230-3200
St Jude Medical	o	STJM	50	69	6	2	St Paul, MN	612-483-2000
Sanford	o	SANF	36	79	35	32	Bellwood, IL	708-547-6650
Sbarro	a	SBA	99	63	49	35	Commack, NY	516-864-0200
Sealright	o	SRCO	40	49	59	58	Kansas City, MO	816-926-2000

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter.

Company Directory

Company	Exch	Ticker symbol	Where they rank: 5-year average ROE	sales	profits	market value	City, state	Telephone
Seattle FilmWorks	o	FOTO	10	166	191	200	Seattle, WA	206-281-1390
Selas	a	SLS	198	129	149	181	Dresher, PA	215-646-6600
Sierra On-Line	o	SIER	19	169	136	161	Coarsegold, CA	209-683-4468
Software Publishing	o	SPCO	60	81	41	53	Mountain View, CA	415-962-8910
Solectron	o	SLTN	137	44	110	146	San Jose, CA	408-942-1943
Southern Mineral	o	SMIN	61	196	122	195	Houston, TX	713-872-7621
Spaghetti Warehouse	a	SWH	140	161	178	149	Garland, TX	214-226-6000
LS Starrett	n	SCX	139	45	43	123	Athol, MA	508-249-3551
Structural Dynamics Research	o	SDRC	158	93	76	49	Milford, OH	513-576-2400
Stryker	o	STRY	115	28	39	17	Kalamazoo, MI	616-385-2600
Sullivan Dental Products	o	SULL	9	157	192	145	West Allis, WI	414-321-8881
SunGard Data Systems	o	SNDT	144	38	44	46	Wayne, PA	215-341-8700
Superior Industries Intl	n	SUP	81	27	50	77	Van Nuys, CA	818-781-4973
Synetic	o	SNTC	145	181	158	90	Fair Lawn, NJ	201-703-0500
System Software Assocs	o	SSAX	33	90	61	61	Chicago, IL	312-641-2900
T2 Medical	o	TSQM	8	136	75	45	Alpharetta, GA	404-442-2160
Tech-Ops Landauer	a	TO	6	182	119	95	Glenwood, IL	708-755-7000
Tech-Ops Sevcon	a	TOC	116	195	196	199	Boston, MA	617-523-2030
Technalysis	o	TECN	29	188	188	194	Minneapolis, MN	612-925-5900
Tennant	o	TANT	128	43	53	76	Minneapolis, MN	612-540-1200
Thermo Instrument Sys	a	THI	123	60	65	31	Waltham, MA	617-622-1000
Tootsie Roll Industries	n	TR	90	55	40	29	Chicago, IL	312-838-3400
Total System Services	n	TSS	53	124	77	16	Columbus, GA	404-649-2204
Trans World Music	o	TWMC	30	5	51	64	Albany, NY	518-452-1242
TriCare	o	TRCR	102	180	194	193	Santa Ana, CA	714-250-1999
Tuscarora Plastics	o	TUSC	125	111	137	140	New Brighton, PA	412-843-8200
UniCare Financial	a	UFN	159	113	105	134	Irvine, CA	714-955-2170
Unifirst	n	UNF	162	39	69	68	Wilmington, MA	508-658-8888
United Investors Mgmt	n	UTD	154	29	5	14	Birmingham, AL	205-325-4200
Uno Restaurant	a	UNO	155	143	166	131	West Roxbury, MA	617-323-9200
Utah Medical Products	o	UTMD	57	190	169	133	Midvale, UT	801-566-1200
Vallen	o	VALN	156	78	116	99	Houston, TX	713-462-8700
Value Merchants	o	VLMR	80	100	159	142	Milwaukee, WI	414-274-2575
Vencor	o	VCOR	85	131	198	130	Louisville, KY	502-569-7300
Vertex Communications	o	VTEX	191	167	193	196	Kilgore, TX	214-984-0555
Vicor	o	VICR	126	173	176	101	Andover, MA	508-470-2900
Washington Fed Savings & Loan	o	WFSL	55	16	4	18	Seattle, WA	206-624-7930
Watts Industries	o	WATTA	135	11	22	22	North Andover, MA	508-688-1811
Weigh-Tronix	o	WGHT	169	134	171	175	Fairmont, MN	507-238-4461
Werner Enterprises	o	WERN	121	15	46	83	Omaha, NE	402-895-6640
Western Waste Inds	o	WWIN	193	61	91	51	Carson, CA	213-329-1425
Williams-Sonoma	o	WSGC	100	31	94	67	San Francisco, CA	415-421-7900

a: American Stock Exchange. n: New York Stock Exchange. o: over-the-counter

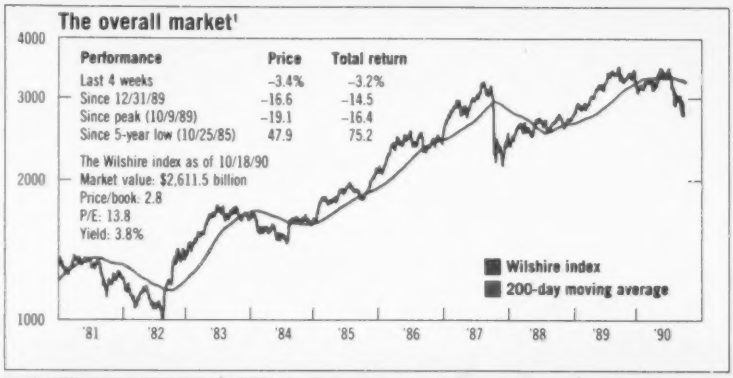
The Forbes Wall Street Review

By Eric S. Hardy

With the market down 15% since the beginning of August, most people are reluctant to admit they're buying stocks. But corporate insiders are compelled by law to report changes in their holdings. What are they doing? Buying aggressively, according to Norman Fosback, president and editor of *The Insiders*, a biweekly investment newsletter that makes recommendations based on insider transactions. Fosback reports that "three out of four insiders executing open market trades in their companies' stock are buyers." Typically, fewer than half the transactions of this type are on the buy side.

Fosback is also encouraged by a recent increase in another insider activity: stock-buyback programs, especially at larger corporations such as Union Carbide, Schering-Plough and Federal National Mortgage Association. These developments have pushed up Fosback's indicators to their most positive level since November 1987, just after the crash.

During the past two weeks insurance issues were especially hard hit. The group was hurt when Travelers Corp. announced a significant write-down of its real estate portfolio and cut its dividend by one-third. Stock of the Hartford-based insurance giant fell by more than 35%, to a 12-year low. Provident Life & Accident and Lincoln National each lost about one-fourth of their value.



The Best Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Sun Microsystems	22⅛	20%	19	15,756	1.2
Occidental Petroleum	21¼	17	22	8,007	1.1
Conner Peripherals	19⅜	16	12	8,848	0.7
NL Industries	12⅛	15	5	1,654	3.2
Limited	14¼	13	14	10,872	1.2

The Worst Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Travelers	13⅛	-36%	3	10,196	4.0
USF&G	11⅛	-33	8	4,968	1.8
Polaroid	22½	-32	11	4,493	2.7
ITEL	8⅛	-29	18	2,147	3.0
Federal Home Loan	37⅛	-28	6	4,246	1.9

Closeup on the Market

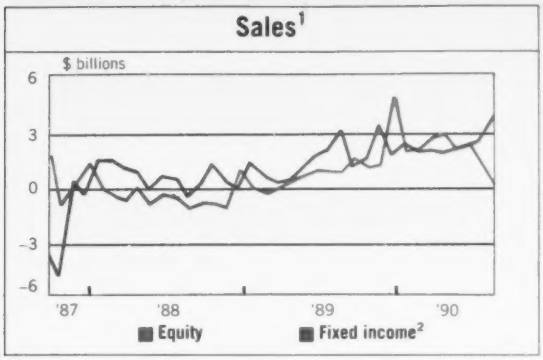
Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	2,850.75	-2.9%
Wilshire index 6,000 stocks, equal weighted	16.43	-5.1
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,452.72	-2.5
S&P 500 Capitalization weighted cross section, major stocks	305.74	-2.2
NYSE Capitalization weighted, all listed common stocks	167.13	-2.5
Amex Capitalization weighted total return: stocks, warrants	291.84	-5.3
Nasdaq Capitalization weighted, all issues except warrants	334.03	-4.5
Amex international market index Capitalization weighted, 50 largest ADRs	308.34	3.6

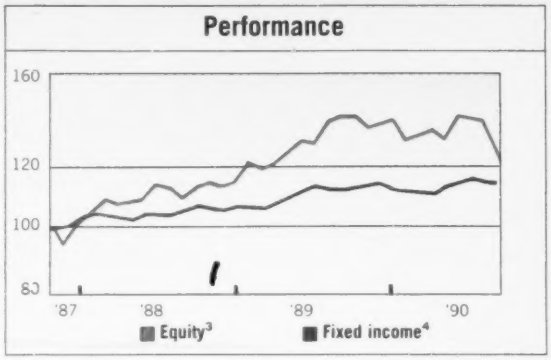
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	838.60	9.0%
Institutional[5] Approximately 200 stocks with high institutional ownership	85.38	-3.8
Individual[5] Approximately 200 stocks with low institutional ownership	82.49	-3.4
Russell 2000 index 2000 stocks with small market values, capitalization weighted	120.86	-5.4
Gold[6] (composite quote of 6 major dealers)	$371.20	-5.5
Yen[6] (per $U.S.)	124.45	-6.9
Commodity index[6] (CRB futures index, 1967 = 100)	231.02	-3.6
Oil[6] (W Texas Intermediate)	$36.80	-0.4
T bills[6] (90 days)	7.25%	13 basis points[7]
Broker loan rate[6]	9.25%	unchanged

Note: All data for periods ending 10/18/90. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 10/19/90. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point.

Mutual Fund Review

By John Chamberlain





For once, fund buyers had their timing right. Weeks before Iraqi troops rolled into Kuwait, investors cooled to equity mutual funds. According to the Investment Co. Institute, net sales of equity funds (new purchases and reinvested income dividends less redemptions) dropped sharply, from $2.7 billion in June to $1.6 billion in July. This figure fell to $566 million for August. Bond funds, meanwhile, increased their net sales from $2.6 billion in July to $3.7 billion in August.

The Wilshire index is now selling for 14 times latest-12-month earnings. Some big, cyclical companies—including Alcoa and Ford Motor—have P/E multiples under 8. Mutual funds with low average P/E ratios offer a diversified way to invest in such stocks as well as in low-growth, defensive stocks. Although the low-P/E funds listed below have not kept pace with the market since the November 1987 bottom, they would probably outperform aggressive funds in a more bearish period. The performance cycle includes a bull phase (Nov. 30, 1987 to May 31, 1990) and a bear phase (May 31 to Sept. 30). Over the full cycle, as it happened, the best performers were sector funds specializing in energy and health care stocks *(see table below)*. For comparison purposes, the S&P 500 had an annual return (including dividends) of 14.5% during this period.

The Cheapest Funds

Fund	Forbes rating UP	Forbes rating DOWN	Cycle[6] return	P/E
Equity funds ranked on price-to-earnings ratio				
Seligman Income Fund	D	B	5.2%	9
Century Shares Trust	C	B	10.8	9
Franklin Equity Fund	B	C	11.2	10
Vanguard Wellesley Income	D	A	11.3	11
Franklin Income	D	A	4.3	12
Templeton Global Fund	C	B	10.1	12
Pioneer Three	C	C	12.1	12
Putnam Convertible Income	B	D	6.9	12
Safeco Income Fund	D	A	8.3	12
Merrill Lynch Basic Value A	B	B	9.0	12
Putnam Fund Growth/Income	C	A	13.6	12
Guardian Park Ave	A	B	11.7	12
Washington Mutual Investors	B	B	12.0	12
Delaware Group Decatur I	C	B	8.4	12
United Continental Income	A	D	9.6	12
Templeton Growth Fund	C	A	12.6	13

The Best Performers

Fund	Forbes rating UP	Forbes rating DOWN	Cycle[6] return	Assets[7] ($mil)
Equity[5]				
Mexico Fund	A+	A+	49.3%	$297
Financial Strategic-Health	A	C	33.2	88
Vanguard Special-Energy	A	B	27.5	102
Equity Strategies Fund	B	B	25.9	69
Fidelity Select-Energy	D	A	25.3	86
Financial Strategic-Energy	B	B	24.0	12
Hartwell Emerging Growth	A+	F	23.4	29
Vanguard Spec-Health Care	A	B	23.2	134
Fidelity Select-Health Care	A+	D	22.7	292
GT Global Growth-Pacific	A	C	21.9	265
Taxable Bonds				
Lincoln National Income	C	A+	13.9	68
Transamerica Income Shares	A+	D	13.1	119
Mutual of Omaha Interest	A	C	13.0	95
Fund For US Govt Secs	B	D	12.6	1,048
Federated Income Trust	B	B	12.4	974

Note: To be rated, equity funds must be in existence since 7/31/84; bond funds, 9/30/81. [1]Monthly net sales of open-end funds. Net sales are purchases by investors, including reinvested dividends, less redemptions. [2]Includes tax-free and foreign bond funds. Source: Investment Co. Institute. [3] Index of total return for the 25 largest stock funds in 1986. [4]Index of total return for the 25 largest taxable bond funds in 1986. [5]Includes balanced funds. [6]Total return (annualized), for one market cycle: equity, 11/30/87 to 9/30/90; bonds, 5/31/84 to 9/30/90. [7]As of 6/30/90.

HOW WE LOST ANOTHER MARKET TO THE JAPANESE

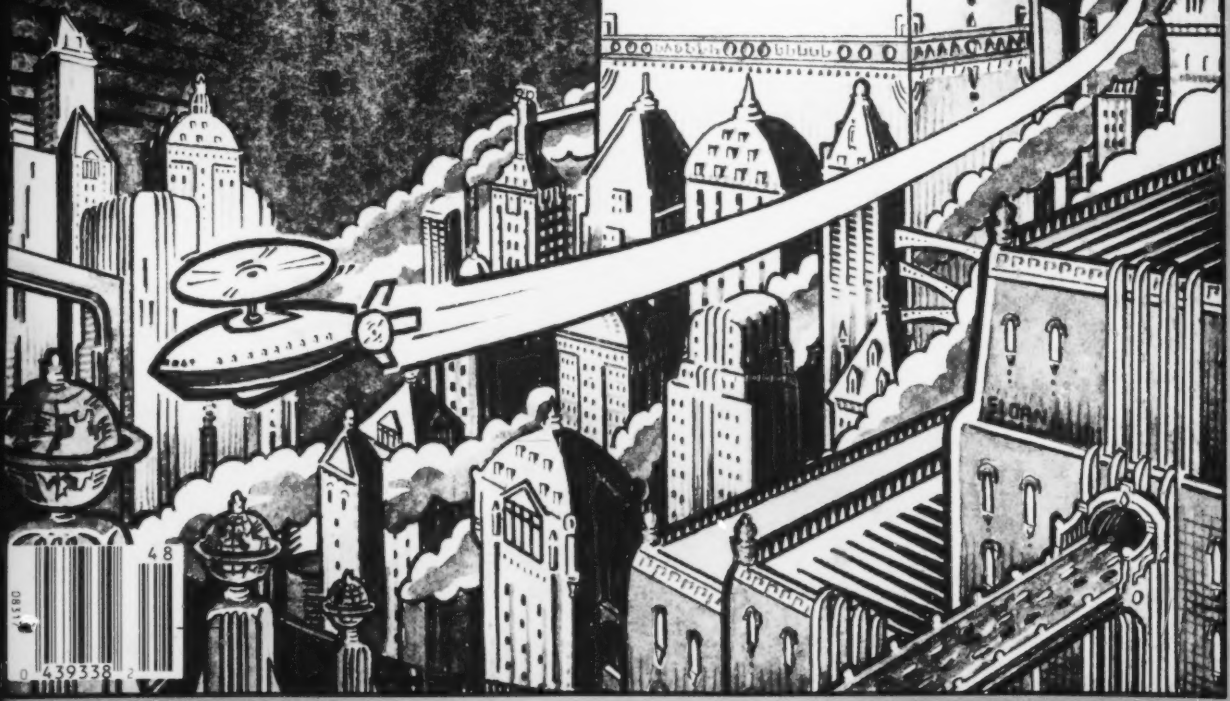
A TAX LOOPHOLE CONGRESS DIDN'T CLOSE

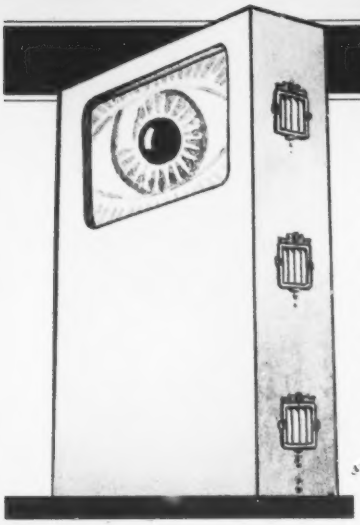
TANDY CORP.— AN UNDERVALUED JEWEL?

Forbes

DON'T DUMP YOUR COMPUTER STOCKS

IMAGE PROCESSING WILL EXPAND THE MARKET EXPLOSIVELY IN THE NINETIES





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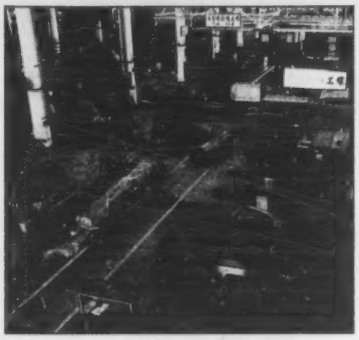

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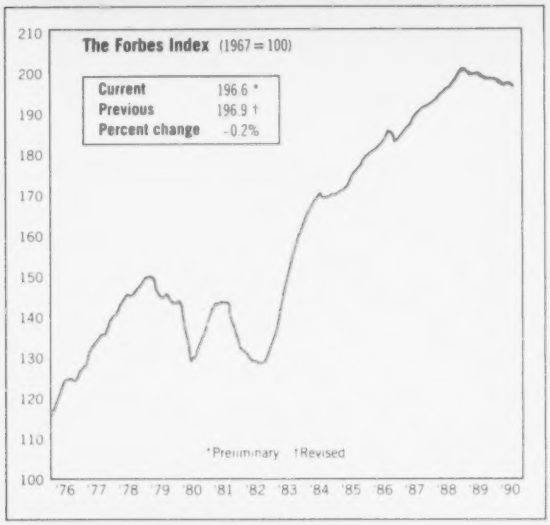
The Forbes Index



The preliminary figure for GNP shows a surprisingly strong 1.8% annualized rate of real growth in the third quarter. But preliminary results are often revised. In the second quarter growth was initially reported at 1.2%, but this was subsequently revised to only 0.4%. Retail sales (which include gasoline) were strong in September, up 1.1% from August, but for an unpleasant reason: higher fuel prices. And with wage income in September up only 0.6% from August, the savings rate fell to 3.5% of disposable personal income in September, the lowest in nearly three years.

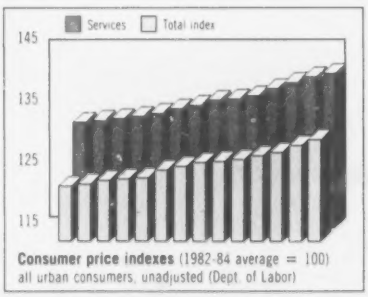
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.0%
Auto sales year to date vs. 1989[1]	Ward's Automotive	-4.2%
Index of leading indicators September vs. August	Dept of Commerce	-0.8%
Trade balance 12 months ended August 1990	Dept of Commerce	-$100 bil
Producer price index September vs. 1989[2]	Dept of Labor	5.9%
GNP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	1.8%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	6.0%

[1]U.S.-based manufacturers, excludes imports, as of 10/20/90. [2]Finished goods. [3]September 1990.

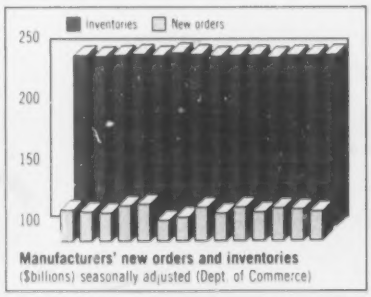
Index Components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

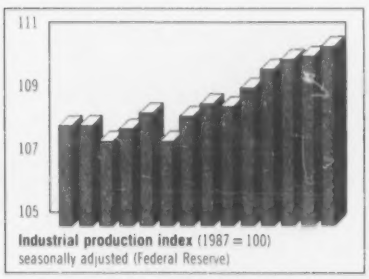
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)

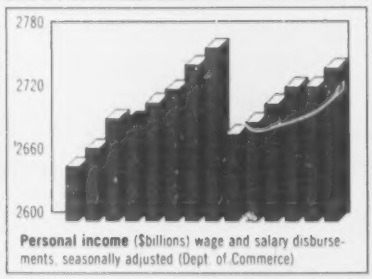


Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)

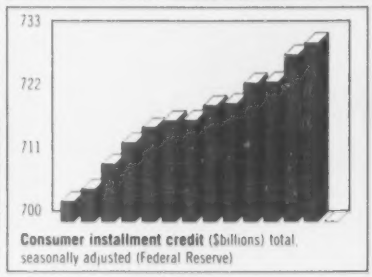
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)

New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)

Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Introducing the Forbes Nonprofit 500. A group that turns out to be not so nonprofit after all.

Businessmen with halos

By James Cook

With Congress scraping the bottom of the barrel for new revenue sources, one of the most sacred of all cows—the nonprofit sector—may be called upon next to help meet the growing cost of government.

Untaxed and effectively unregulated, the nonprofits command well-nigh universal reverence, respect and unprecedented power in the economy.

And that power is growing. The number of nonprofit institutions rose almost 15% during the decade ending in 1987, to 1.3 million, while the number of charitable nonprofits rose nearly 40%. This highly fragmented sector—which includes hospitals, universities, credit unions, cooperatives and charitable institutions—already accounts for well over $750 billion in annual revenues, or about 15% of the gross national product.

What organizations compose this potent, if little scrutinized, part of the economy? What do they do? Who runs them? With this issue, we introduce the Forbes 500 List of Nonprofit Organizations. Beyond showing the breadth and depth of the sector, the lists show that the nonprofits are good at making money. With very few exceptions, revenues handily exceed expenses. Even among those enterprises that give most of their services away, in fact, there is usually plenty of retained excess. Farmland Industries, for instance, an agricultural cooperative, netted $99 million last year, the Mayo Foundation $167 million, and the American Red Cross $35 million.

The nonprofits' biggest advantage is the exemption of their profits from federal and other levels of taxation. But there are other advantages. For example, many nonprofits are able to use the mails at two-thirds of what it costs their for-profit counterparts.

The nonprofit designation is itself a powerful marketing tool. These institutions come armed with what the for-profit sector calls the halo effect: Because of the purity and nobility of their goals, most people expect them to provide superior quality and services.

Combine these commercial advantages with the nonprofits' recent rapid growth, and the result is a significant confrontation with private for-profit businesses on terms that are not only unfair but also probably economically destructive.

The electric utilities used to complain about competition from the electric cooperatives. The banks and the for-profit hospitals still gripe about nonprofit credit unions and hospitals. But these days the loudest complaints are coming from small businesses. They have a sympathetic ear: Since the early Eighties the Small Business Administration under the instigation of Frank Swain, its former chief counsel for advocacy, has been pressuring Congress to do something about nonprofit competition.

"Allowing nonprofits to compete on the backs of for-profit businesses is not where our economy is best served," argues John Satagaj, president of the Small Business Legislative Council in Washington, D.C. "It's just not the most efficient use of the system."

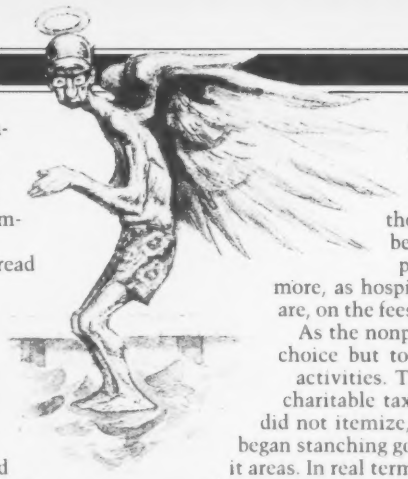
Why should *Nation's Business*, a magazine published by the nonprofit U.S. Chamber of Commerce, be tax-exempt when Forbes, *Fortune* and *Business Week* aren't? Why are Ocean Spray Cranberries and Land O'Lakes tax-exempt, when competitors Kraft and Del Monte aren't? Northern Virginia Electric is tax-exempt; neighboring Dominion Resources is not.

In practice if not in theory, Congress has tended to view the tax exemption as a sort of for-profit incubator. It uses the exemption to encourage the development of services that the for-profit economy is incapable of producing. The tendency is then to withdraw the exemption once the nonprofit becomes indistinguishable from for-profit institutions.

Thus Congress ended the tax exemption on mutual life insurance companies in 1942, on savings and loans and mutual savings banks in 1951. It began taxing unrelated business income in 1950, and in 1986 it moved on to tax the large mutual fire and casualty insurance companies and outfits like Blue Cross/Blue Shield.

And nowadays there's talk about ending the exemption for credit unions, hospitals and electric cooperatives, as

Illustrations by Peter deSève



well as proposals to tax corporate contributions to employee benefit funds. Mail discounts alone cost the Postal Service over $450 million in revenue last year, revenue which Congress and taxpayers in general compensate it for.

The services the nonprofits provide are spread across the full spectrum of human needs, from the cradle to the grave—from birth control and child care to health insurance and burial societies. Nonprofit labor unions set the terms under which many Americans work. Nonprofit credit unions finance their consumer and housing needs. Nonprofit cooperatives put food on their tables and light their lives. The permutations go on and on.

Without anyone's paying much attention, many nonprofits have become household words: Ocean Spray and Sunkist, Underwriters Laboratories and Harvard University, *National Geographic* and *Modern Maturity*, the Mayo Clinic, the AFL-CIO and the National Football League. Each produces an economic good or service, in actual or potential competition with a for-profit producer.

Some nonprofits—like chambers of commerce, lodges and labor unions—are membership organizations and live off their membership fees. Others are quasi-business organizations producing services for a fee—electric power, agricultural marketing, health care. Still others, the conventional charitable nonprofits, depend on the donations of individual, foundation and government supporters. And then others fall somewhere in between, donor-supported in part but dependent more and more, as hospitals, colleges and universities are, on the fees they charge for their services.

As the nonprofits see it, they've had little choice but to increase their fee-generating activities. The 1986 tax reform ended the charitable tax deduction for taxpayers who did not itemize, while the Reagan presidency began stanching government funding in nonprofit areas. In real terms, federal government support of nonprofit enterprises (exclusive of Medicare and Medicaid) fell 20% in the Eighties, and as it did the nonprofits began beating the bushes for other sources of income. Program service fees and other revenues went from 71% of the total in 1975 to 81% by 1982, and since then have continued to mount.

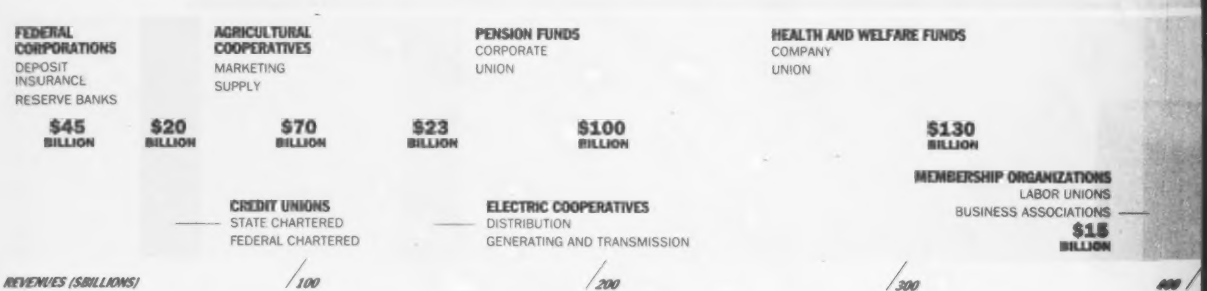
The major thrust has been into new businesses, sometimes directly related, sometimes much less so. Colleges and universities, for example, have long sold books, souvenirs, T shirts and toiletries in their nonprofit (but profitable) college stores. But in recent years they have been peddling travel tours, audiovisual materials, research facilities, computers and computer software.

The American Association of Retired Persons, one of the largest membership organizations in the U.S., even markets the halo. Under the AARP label, it offers its members such services as prescription drugs, homeowners' insurance, mutual funds, motoring and travel services and, until recently, a credit union membership. As it happens, most of these services are provided not by AARP but by outsiders who pay AARP for access to its membership.

Nonprofit institutions are exempt from the Robinson-Patman Act, which requires suppliers to sell goods without discrimination at the

From churches to credit unions: the dimensions of the nonprofit economy

The nonprofit economy is so vast, so diverse and so pervasive it almost escapes detection. Nobody monitors the whole, and to capture it you have to tap a wide range of not wholly compatible resources. Some segments like the electric cooperatives and the pension and health and welfare funds are closely monitored by government agencies, others by industry consultants, or by Independent Sector. Of the rest, most, but not all, simply file tax returns with the Internal Revenue Service. As a result, the dimensions of the nonprofit economy detailed below represent a mixture of solid statistics, informed estimates, and seat-of-the-pants guesstimates. What emerges, however, is a distinct third sector of the American economy and one unique among the capitalist societies of the Western World.



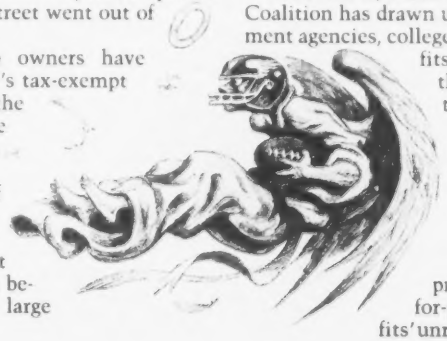
Sources: Independent Sector, Department of Labor, National Federal Credit Union Association, AAFR Trust for Philanthropy, National Cooperative Business Association, Internal Revenue

same price to all customers. In other words, nonprofits can buy their supplies cheaper than their for-profit competitors. One result of this exemption is that colleges and universities frequently sell computer equipment and software at ruinously low prices. One computer dealer complains that one IBM computer retails in the education market at the same price the dealer has to pay wholesale, while the list price of an IBM monochrome monitor was actually $15 less than the wholesale price.

The University of Kansas and Kansas State University sold $3.5 million in computers and related items in fiscal 1988 and 1989—and 10% of them went to nonuniversity customers. According to Connecting Point, a local for-profit Kansas computer center, its sales fell 91% in two years once the state universities went into the business. When Connecting Point cut its prices back to compete, the universities cut back even further. The competition was good for consumers but terrible for the U.S. Treasury.

The Young Men's Christian Association has traditionally concentrated on providing residences for transients and gymnasiums for young people, especially the underprivileged. Recently, however, the Y has begun opening fancy health clubs, built with tax-free money, and offering services that the for-profit health clubs are hard put to meet. According to one calculation, the Y's have a 25% to 33% cost advantage over the commercial health clubs. Once the Oakland, Calif. YMCA opened its health club in 1986, it was only a matter of time before the 50-year-old private taxpaying health club down the street went out of business.

The commercial health club owners have fought back by challenging the Y's tax-exempt status in several states around the country, but in the end they have been unsuccessful almost everywhere. The Y's argue that their job is to serve the needs of the community and not just the poor. The problem isn't simply that of for-profit and nonprofit competition; it's the competition between small business and any large competitor.



Nobody is so crass as to complain about Goodwill Industries' selling below-cost goods made by disabled workers, or about the Girl Scouts' selling cookies. But complaints from struggling for-profit business people are increasing as a host of other nonprofit competitors use their tax and other advantages to compete unfairly. Veterinarians fret about the competition from animal shelter clinics. Hearing-aid retailers are up in arms against hospitals and clinics. Even the Lake Tahoe Wedding Chapel Association complains that the $15 the local county clerks charge for a wedding ceremony undercuts the $100-and-up service offered by the chapels.

Since 1950 the nonprofits have been required to pay taxes on any unrelated business income they generate. But somehow that never amounts to much. The U.S. Chamber of Commerce, for instance, does everything it can to avoid paying taxes on the advertising revenues generated by *Nation's Business*. "If you get into the black," explains the Chamber's president, Richard L. Lesher, "you spread the overhead around a ways, so you don't show too much profit—you know how that works."

The macroresult is that, though 30,000 nonprofits file tax returns for their unrelated business activities, total tax receipts amount to not much over $130 million a year.

"The nonprofit gets to decide whether a business is related or unrelated," gripes Kenton Pattie, a founder of the Business Coalition for Fair Competition, "and then pays the taxes on that business. They've taken the position, if the IRS doesn't like it, come and convince us we're wrong." The Coalition has drawn up a bill that would prohibit government agencies, colleges and universities and other nonprofits from providing goods and services that can be obtained from private enterprises, but the bill hasn't yet got off the ground.

What, if anything, should be done? The IRS is completing a study of 3,000 randomly selected returns to chart compliance with the Unrelated Business Income Tax. But however devastating nonprofit competition can be to individual for-profit companies, taxing the nonprofits' unrelated business income isn't likely to

HEALTH CARE
HOSPITALS
HEALTH MAINTENANCE ORGANIZATIONS

$170 BILLION

/500

EDUCATION
COLLEGES AND UNIVERSITIES
PREPARATORY SCHOOLS

$85 BILLION

/600

PUBLIC BENEFIT ORGANIZATIONS
CHARITIES
RESEARCH AND TESTING

$85 BILLION

/700

RELIGIOUS ORGANIZATIONS
CHURCHES
SYNAGOGUES

$53 BILLION

TOTAL $796 BILLION

rvice, Department of Agriculture, Rural Electric Administration, Department of Health & Human Services, FDIC, U.S. General Accounting Office, FORBES estimates

generate any large tax revenues. According to the Independent Sector, a Washington, D.C.-based organization that monitors and encourages nonprofit enterprise, the charitable nonprofits' revenue from sources other than contributions and program services amounts to a mere $14 billion, and only a fraction of that comes from unrelated business.

One could argue that it would make sense to end the tax exemption for any organization that gets the bulk of its income from fees. What difference would it make? Very little. Grant Thornton's nonprofit specialist, Christl Kasler, observes: "Many nonprofits could easily be run for-profit—or as state or municipal agencies."

That would end the worst of the nonprofits' unfair competitive advantages. But it would probably not generate any tax bonanza. Assuming the nonprofits netted as much as 5% on the maybe $450 billion or so in essentially commercial revenues generated by their programs, and paid taxes at the standard 34% rate, the tax revenue gain would be at most $8 billion. That's roughly half what the Treasury could recover if all deductibility of charitable contributions were ended.

What's perhaps even more alarming about the spread of the nonprofit economy is the proposition that the nonprofits are not only morally superior to for-profit organizations but that they're somehow also more efficient. Some of them—like the American Red Cross, the United Way, the Salvation Army and the Girl Scouts—do skillfully manage their objectives. But what sets the nonprofits apart from for-profit companies is that they have no legal owners. No stockholders. No proprietary interests to call their managers to account. And so, except for the agricultural co-ops, the surpluses—profits by any other name—that accumulate have no place to go but back into advancing the mission of the enterprise. And when the surpluses grow larger than the needs of the organization's nonprofit mission, they tend to accrue to the benefit of the staff—if not in taxable money, then in such employee perks as travel allowances, low-interest loans and elaborate headquarters facilities—like the Ford Foundation's crystal palace in New York or the American Red Cross' Beaux Arts headquarters in Washington.

Alan Miller, chairman of Universal Health Services, the U.S.' third-largest publicly traded hospital management company, sums up the economic dilemma presented by the nonprofits. "The problem," says Miller, "is that the nonprofits don't react in a rational way, the way a businessman would. They haven't the basic underlying concern that they can go out of business. They fool themselves. If you start off with that premise, spending money becomes a lot less difficult."

It's not easy running a business and being an angel all at the same time. ■

A matter of public exposure

The Forbes Nonprofit 500 is something of a pioneering effort. Though some 400,000 nonprofit organizations file with the Internal Revenue Service, our list is based on an IRS roster of nonprofits with more than $50 million in revenues that was supplied by Independent Sector, a Washington nonprofit organization.

The roster itself stems from the financial statements the nonprofits file with the IRS—Form 990 for organizations exempt from income tax. Most nonprofits are reluctant to make these statements available to outsiders, but the forms are available from the IRS under the Freedom of Information Act or from the nonprofits themselves, which are required by law to permit public inspection during business hours at their main offices. Where Form 990 filings have not been available or where the nonprofit organization didn't cooperate, FORBES turned to government agencies or consulting firms for the data.

Our list of nonprofits is organized, somewhat arbitrarily, by revenue according to the services the organizations provide. The list excludes taxable not-for-profit organizations like Blue Cross/Blue Shield and the large mutual insurance companies. With a couple of exceptions, the list includes only operating nonprofits and so excludes most of the foundations. The statistics reflect the latest available figures, fiscal 1989 unless otherwise noted, stated in millions of dollars.

The 990 forms are in most instances cash flow statements rather than conventional income accounts. They detail such sources of revenue as income from public and private donations, investment income and income from program services and unrelated businesses, so that the bottom line does not necessarily represent anything like the profit on sales but simply the excess of revenues over expenses.

Many large nonprofit institutions are missing from the lists. Religious groups are not required to report, and decentralized organizations with autonomous locals like the American Legion, the Young Men's Christian Association and the Masons do not happen to have large enough headquarters organizations to put them on our list. The tables were compiled by reporters Joel Millman, William Heuslein, Wendy Tanaka and Nikhil Hutheesing.

PUBLIC BENEFIT

These are conventional charities. Donations are generally tax-exempt, services generally free.

Revenue	Organization/State	Excess/(def)	Assets
1,138.4	American Red Cross/VA	34.8	1,423.8
517.8	Shriners Hospital/FL	311.4	3,177.4
367.7	United Jewish Appeal/NY	2.6	40.8
345.8	American Cancer Society (Group)/GA	22.0	390.6
329.1	Care/NY	3.9	64.8
323.3	United Israel Appeal/NY	39.2	474.9
308.7	Legal Services Corp/DC	1.6	55.5
248.8	American Heart Association/TX	28.3	371.3
231.9	Catholic Relief Services/MD	(13.7)	101.3
178.1	UJA-Fed Jewish Philanthropies/NY	(7.3)	323.3
168.8	Nature Conservancy/VA	109.5	619.8
164.3*	World Vision International/CA	3.9	31.0
160.6	United Way of Tri-State/NY	1.1	131.8
144.2	Jewish Agency/NY	5.3	129.4
143.1	American Cancer Society†/GA	5.7	569.4
132.4	Inst of International Education/NY	(0.2)	22.1
128.8	World Vision/CA	0.9	53.8
126.3	New York Blood Center/NY	4.6	47.4
121.8	Amer Jewish Joint Distrib Comm/NY	2.2	94.0
111.4*	Muscular Dystrophy Assn/NY	6.9	116.0
106.3	Rotary International Foundation/IL	49.8	302.0
101.7	Christian Children's Fund/VA	8.3	30.2
101.5	Legal Aid Society/NY	(1.2)	19.5
96.2	Foster Parents Plan Intl/RI	4.1	43.3
96.0‡	Campus Crusade for Christ/CA	(18.2)	31.3
95.8	National Collegiate Athletic Assn/KS	6.1	39.0
93.5	Father Flanagan's Boys Home/NE	28.7	493.1
93.4	American Lebanese-Syrian Charities/TN	13.5	174.6
92.8	March of Dimes/NY	(4.1)	38.6
90.3	United Way Crusade of Mercy/IL	0.2	43.6
89.9	Boy Scouts of America†/TX	11.2	216.2
87.2	NY Community Funds/NY	39.1	448.6
82.5	Save the Children/CT	2.2	28.4
79.2*	United Way/CA	(2.7)	64.9
77.5	US Olympic Committee/CO	18.5	68.4
71.6	Billy Graham Evangelistic Assn/MN	10.0	90.1
70.8*	Natl Benev Assn Christian Church/MO	7.9	145.3
69.4	National Wildlife Federation/DC	1.9	45.9
68.7	Natl Assn-Exch of Industrial Resources/IL	9.2	65.9
68.5	Trust for Public Land/CA	2.4	53.0
66.1	Covenant House/NY	10.1	79.8
66.1	World Vision Relief & Development/CA	0.1	2.6
61.0	United Way of NYC/NY	0.4	73.4
59.8	United Foundation/MI	(0.3)	81.6
59.7*	Jewish Fed-Council of Greater LA/CA	6.4	87.5
59.1*	Ducks Unlimited/IL	(0.5)	42.3
56.8	United Way, National Capital Area/DC	(0.9)	35.3
56.7*	Disabled American Veterans†/KY	(4.0)	160.5
53.3	City of Hope/CA	3.2	33.9
52.7	Jewish Board Family & Child Services/NY	1.2	46.4
52.2	United Way, SE Penn/PA	(0.9)	48.0

*1988 figures ‡1987 figures †National headquarters *Source: IRS*

SCIENCE, CULTURE AND INFORMATION

Museums and opera companies, TV and radio broadcasting, zoos, libraries and specialized journals.

Revenue	Organization/State	Excess/(def)	Assets
428.9	National Geographic Society/DC	(2.7)	534.1
287.1	Public Broadcasting Service/VA	2.6	88.9
261.9	Corp for Public Broadcasting/DC	12.1	96.5
246.6	Smithsonian Institute/DC	33.3	451.0
170.5	Radio Free Europe-Radio Liberty/DC	1.1	146.0
158.6*	Metropolitan Museum of Art/NY	13.1	479.0
155.2	New York Public Library/NY	12.2	282.7
130.0	Christian Broadcasting Network/VA	0.9	186.0
109.0	Metropolitan Opera Assn/NY	9.8	138.7
104.1	Educational Broadcasting Corp/NY	2.0	86.4
98.6	Art Institute of Chicago/IL	14.1	247.3
94.8	WGBH Educational Foundation/MA	1.5	56.8
90.0	National Gallery of Art/DC	31.6	375.2
87.0	Lincoln Center/NY	51.2	355.2
81.4	Online Computer Library Center/OH	4.9	99.1
81.0*	Colonial Williamsburg Foundation/VA	7.1	381.6
67.0	Guideposts Associates/NY	(3.0)	64.5
64.4	Zoological Society of San Diego/CA	7.6	75.1
63.1	Boston Museum of Fine Arts/MA	15.7	236.9
59.8	New York Zoological Society/NY	3.0	87.2
58.7*	John F Kennedy Center/DC	(0.8)	89.3
58.6	Childrens Television Workshop/NY	13.1	90.0
51.2	Amer Museum of Natural History/NY	6.6	183.3

*1988 figures. *Source: IRS*

RESEARCH AND TESTING

Student, product and scientific testing, scientific, industrial and medical research.

Revenue	Organization/State	Excess/(def)	Assets
724.0	Howard Hughes Medical Institute/MD	447.1	6,431.9
501.5	Mitre Corp/MA	11.5	129.1
379.5	Aerospace Corp/CA	8.0	144.2
358.4	Electric Power Research Institute/CA	3.0	67.0
335.7	Associated Universities/NY	0.2	4.6
272.8	SRI International/CA	21.4	213.6
256.2	Educational Testing Service/NJ	4.5	127.2
248.7	Universities Research Assn/IL	5.5	42.3
217.3	Charles Stark Draper Laboratory/MA	8.5	188.4
199.9	Underwriters Laboratories/IL	25.6	243.7
190.3*	Gas Research Institute/IL	34.4	106.3
187.2	Southwest Research Institute/TX	6.0	155.7
170.6	National Academy of Sciences/DC	13.4	152.3
127.6	Dana Farber Cancer Research Inst/MA	15.4	220.6
119.1	Rockefeller University/NY	(6.8)	742.8
114.0	ITT Research Institute/IL	2.7	37.2
97.4*	Rand Corp/CA	13.0	66.6
88.7	Institute for Defense Analysis/VA	3.2	40.8
77.2*	Woods Hole Oceanographic Inst/MA	13.8	136.2
74.8	Univ Corp for Atmospheric Res/CO	0.0	75.9
73.4	Consumers Union/NY	1.9	75.9
68.8	Hutchinson Cancer Research Center/WA	2.5	97.6
60.5	American College Testing Program/IA	3.2	49.0

*1988 figures. *Source: IRS*

EDUCATION

Private schools and universities. Revenues come from fees, private donations and government grants.

Revenue	Organization/State	Excess/(def)	Assets
1,576.5	Harvard/MA	446.0	6,593.8
1,299.8	Calif Institute of Technology/CA	67.8	1,142.1
1,275.4	University of Pennsylvania/PA	143.3	2,183.9
1,249.7	Stanford/CA	238.6	3,839.8
1,092.6	Cornell/NY	200.8	2,596.6
1,073.7	MIT/MA	111.8	1,582.8
989.3	Columbia/NY	124.2	2,678.3
981.6	New York University/NY	80.0	1,873.3
889.4	Chicago/IL	72.2	1,548.8
867.2	Duke/NC	124.9	1,932.3
819.2	Univ of Southern California/CA	84.5	1,376.0
810.5	Emory/GA	111.0	1,911.0
638.8	Yale/CT	0.0	3,955.7
616.7	Vanderbilt/TN	84.5	1,569.4
609.5	Washington University/MO	80.4	1,961.0
604.5	Pittsburgh/PA	0.3	1,198.0
580.8	Princeton/NJ	187.6	2,909.6
563.1	Georgetown/DC	47.7	953.8
559.9	Northwestern/IL	121.3	1,510.3
553.7	Temple/PA	45.7	980.1
541.0	Boston University/MA	29.2	897.4
539.1	Miami/FL	52.2	766.0
529.1	Rochester/NY	(0.9)	1,263.9
528.3	Loyola/IL	45.0	900.3
469.4	George Washington/DC	23.1	720.1
433.1*	Howard/DC	50.6	724.7
391.0	Syracuse/NY	52.5	667.9
377.6*	Brigham Young/UT	37.8	619.7
369.0	Tulane/LA	20.1	666.2
334.1	St Louis/MO	35.8	475.0
324.6	Case Western Reserve/OH	79.4	802.1
320.1	Northeastern/MA	32.7	499.4
312.9	Carnegie-Mellon/PA	14.8	856.8
297.3	Yeshiva University/NY	52.8	564.2
285.1	Dartmouth/NH	56.9	1,021.6
279.7	Brown/RI	63.9	742.9
279.7	Notre Dame/IN	73.1	830.4
279.3	Tufts/MA	25.6	534.0
279.3	Wake Forest/NC	66.7	741.2
229.5	Kamehameha Schools/HI	167.8	978.9
228.7	Boston College/MA	51.8	616.8
207.9	Rochester Inst of Technology/NY	41.0	465.8
194.0	Lehigh/PA	49.2	588.1

Revenue	Organization/State	Excess/(def)	Assets
172.6	Rice/TX	77.2	930.0
171.5	Rensselaer Polytechnic Inst/NY	14.6	445.0
166.4	Southern Methodist/TX	23.9	489.2
143.8	Dayton/OH	19.9	242.2
142.9	Brandeis/MA	23.3	330.9
142.0	St Johns University/NY	8.2	165.8
140.9	Long Island University/NY	6.3	191.4
139.5	American/DC	11.8	218.3
133.2	Hofstra/NY	17.4	290.2
132.2	Baylor/TX	28.6	425.5
131.2	Fordham/NY	10.5	282.9
129.9	Pace/NY	8.6	212.0
129.7	Creighton/NE	8.7	249.5
129.0	Drexel/PA	9.9	272.0
122.1	De Paul/IL	15.5	193.6
118.2	Villanova/PA	9.2	191.8
117.1	Wellesley/MA	48.9	521.4
114.4	Marquette/WI	25.0	306.3
112.1	Pepperdine/CA	25.8	299.2
110.9	Texas Christian/TX	33.2	388.8
106.0	Fairleigh Dickinson/NJ	(4.5)	151.9
104.9	Loma Linda/CA	6.0	202.5

*1988 figures. *Source: IRS*

HEALTH CARE

Hospitals and hospital systems, health maintenance organizations, medical schools and nursing homes. They are funded almost solely by payments for services rendered.

Revenue	Organization/State	Excess/(def)	Assets
6,856.8	Kaiser Health & Hospital†/CA	52.9	5,058.5
1,515.7‡	Health Care Services Corp/IL	(13.3)	514.4
1,224.6	Sisters of Mercy Health Corp/MI	28.6	1,330.8
1,058.2	Mayo Foundation†/MN	166.7	6,833.8
957.8	Sisters of Mercy Health System/MO	73.2	890.6
947.3	Catholic Health Corp†/NE	33.1	891.3
833.7	Catholic Healthcare West†/CA	40.7	1,058.5
805.2	Adventist Health System/Sunbelt†/FL	22.5	733.2
798.6	Mount Sinai Medical Ctr Inc**/NY	42.0	521.1
699.0	Franciscan Health System**/PA	11.5	554.2
694.1	Samaritan Health Service/AZ	167.6	584.4
690.2*	Health Insurance Plan/Greater NY/NY	10.2	371.7
667.1	Massachusetts General Corp**/MA	66.5	1,037.5
635.0	Sisters of St Francis Health Services/IN	15.1	439.9
631.4	Sisters of Providence**/WA	26.4	932.4
616.3*	Cleveland Clinic Foundation/OH	12.9	752.4
609.6*	IHC Hospitals/UT	34.0	762.1
573.9	Sisters of St Joseph Health System**/MI	25.6	504.6
568.4	Sisters of Charity-The Incarnate Word/TX	44.1	862.3
559.1	Montefiore Medical Center/NY	6.4	452.1
543.7	Memorial Sloan-Kettering**/NY	84.8	895.7
535.2	Rush-Presbyterian-St Luke's Med Ctr/IL	5.1	622.6
514.8	Hahnemann/PA	9.7	320.0
511.6	Presbyterian-University Hospital/PA	28.4	399.4
496.5	Thomas Jefferson/PA	42.5	576.5
479.9*	Henry Ford Hospital/MI	19.4	506.7
472.2*	Brigham & Womens Hospital/MA	19.2	449.5
467.2	University Hospital of Cleveland/OH	6.1	301.0
463.0	SSM Health Care/MO	15.6	559.3
426.1*	Methodist Hospital/TX	30.3	455.1
425.0	Loma Linda U Medical Center/CA	28.4	541.8
420.5	New York Presbyterian Hospital/NY	6.9	865.5
412.5*	New York Hospital/NY	(23.8)	424.4
400.8*	Methodist Hospital of Indiana/IN	1.1	415.3
398.8	Northwestern Memorial Hospital/IL	33.2	455.5
398.4*	William Beaumont Hospital/MI	30.7	442.6
395.1	St Luke's-Roosevelt Hosp Center/NY	5.5	362.4
390.5*	Baptist Memorial Hospital/TN	5.4	386.1
385.4‡	Health Net/CA	(22.6)	117.4
381.8*	Group Health Co-op of Puget Sound/WA	0.4	230.3
377.4*	Memorial Medical Ctr/Long Beach/CA	14.1	183.4
377.2*	Cedars-Sinai Medical Center/CA	39.4	490.1
360.1	Evangelical Hospital Corp/IL	16.7	446.3
359.0	Catholic Med Ctr Bklyn & Qns**/NY	(1.7)	334.4
356.5	Physicians Health Plan of Minn/MN	0.6	79.1
354.1	Baylor College of Medicine/TX	35.0	611.7
351.4	Yale New Haven Hospital/CT	17.2	306.4
343.9	LI Jewish Medical Center/NY	(2.0)	297.2
339.6	Baylor U Medical Center/TX	20.1	297.5
331.8	Sisters of the 3rd Order of St Francis/IL	22.2	437.8
331.1	St John Hospital & Medical Center/MI	17.4	247.0
330.6	Medical Center of Delaware/DE	(0.9)	524.2
324.6‡	Sutter Community Hospital/CA	15.5	296.4
318.8‡	Mem Hosp-Cancer & Allied Diseases/NY	16.2	303.7
315.7	Harper-Grace Hospital/MI	9.5	346.1
314.4	Johns Hopkins Hospital/MD	12.9	319.5
313.8*	Orlando Regional Medical Center/FL	16.4	307.5
306.3	Beth Israel Medical Center/NY	11.6	271.0
300.7*	Harvard Community Health Plan/MA	(11.7)	267.3
294.5	Abbott Northwestern Hospital/MN	6.9	256.3
292.6*	Fairfax Hospital System/VA	19.0	343.4
283.5	Rhode Island Hospital/RI	3.0	339.6
282.2*	Bay State Health Care/MA	8.3	66.2
281.3	Childrens Hospital/MA	(0.1)	298.1
278.9*	Evang Lutheran Good Samaritan Soc/SD	13.0	409.8
277.8*	Charleston Area Medical Center/WV	13.8	230.4
276.6*	Barnes Hospital/MO	19.5	448.7
274.7	Washington Hospital Center/DC	10.6	248.7
274.6	Lutheran Health System**/ND	9.3	440.7
266.4	Stanford U Hospital/CA	5.3	354.7
266.0	U of Maryland Medical System/MD	17.7	200.0
264.1	Health One Corp/MN	18.0	344.5
259.6	North Shore U Hospital/NY	(8.7)	208.2
259.5	Sinai Hospital of Detroit/MI	0.1	196.2
256.3*	Hartford Hospital/CT	16.6	310.6
255.1	Baptist Medical Centers/AL	18.5	359.8

Revenue	Organization/State	Excess/(def)	Assets
252.9	St Francis Medical Center/PA	(3.9)	245.3
251.8	St Vincent's Hospital/NY	10.9	270.8
248.4*	New England Medical Center/MA	4.4	309.9
246.2	Sentara Hospitals/VA	25.3	445.8
244.3	Bay State Health System†/MA	4.4	234.8
241.9	Share/MN	8.5	79.1
239.9	Hermann Hospital/TX	(24.3)	253.6
236.6	Children's Hospital of Philadelphia/PA	10.1	177.3
229.6*	Providence Hospital/MI	2.1	170.9
228.4	Greenville Hospital System/SC	17.8	320.9
227.2	Evanston Hospital Corp/IL	23.1	452.7
226.5	Scripps Clinic & Res Foundation/CA	16.7	259.2
226.1	U of Chicago Hospitals/IL	11.4	284.3
224.0	Albert Einstein Medical Center/PA	7.1	244.0
219.1*	Michael Reese Hosp & Med Ctr/IL	0.3	233.8
213.2	Sisters of Charity/Nazareth Health/KY	17.0	253.1
208.3*	Fulton-Dekalb Hospital Authority/GA	(2.8)	129.3
207.9	Albany Medical Center/NY	(14.1)	242.0
207.6	Memorial Hospital System/TX	11.0	343.5
205.2	Alton Ochsner Medical Foundation/LA	16.5	349.2
204.3*	Riverside Methodist Hospital/OH	18.5	216.2
203.1*	Saint Francis Hospital/OK	11.3	209.1

*1988 figures. ‡1987 figures. †Consolidated figures. **Combined figures.
Source: IRS

MEMBERSHIP ORGANIZATIONS

Groups organized to advance the special interests of members or to protect them from financial risks.

Revenue	Organization/State	Excess/(def)	Assets
884.4*	Texas Wkrs Comp Assigned Risk/TX	206.5	993.3
286.1	American Assn of Retired Persons/DC	(0.1)	274.1
218.7	New York Shipping Assn/NY	7.9	42.5
167.3	Michigan Catastrophic Claims/MI	(209.9)	964.9
146.0*	American Medical Assn/IL	6.1	208.3
141.9*	NH Auto Reinsurance Facility/RI	(17.2)	150.1
121.8	American Management Assn/NY	5.7	73.1
101.0	American Bureau of Shipping/NJ	3.5	160.1
93.7*	National Assn of Securities Dealers/MD	4.7	164.8
79.5*	Assn of American Railroads/DC	2.8	40.3
76.2	National Rifle Association/DC	(5.8)	110.2
74.9	Inst of Electric & Electronic Engineers/NY	0.9	87.1
74.6*	National Association of Realtors/IL	7.9	81.4
74.1	American Hospital Assn/IL	1.8	65.0
73.5*	ISO Commercial Risk Services/NY	2.7	16.6
70.2	Natl Council on Comp Insurance/FL	(7.0)	14.2
69.3	American Bar Association/IL	2.7	82.4
68.3	Edison Electric Institute/DC	2.3	43.2
67.7*	US Chamber of Commerce/DC	0.4	43.5
64.9*	Michigan Basic Property Ins Assn/MI	(21.8)	65.4
61.4*	California Farm Bureau/CA	0.2	13.4
56.0	Amer Petroleum Institute/DC	0.4	23.5
55.6*	American Gas Association/VA	0.7	21.9
54.0	American Bankers Association/DC	3.3	82.2

*1988 figures.
Source: IRS

LABOR UNIONS

Teachers and auto workers, white collar and blue, single or multi-industry.

Revenue	Organization/State	Excess/(def)	Assets
1,544.7	Teamsters/DC	4.2	196.0
500.0	United Steelworkers/PA	0.5	217.4
481.1	United Food & Comm Workers/DC	(4.9)	6.1
454.6	Intl Ladies Garment Workers/NY	0.8	78.2
443.2	State, County, Municipal Employees/DC	(1.3)	27.9
418.2*	Air Line Pilots Association/VA	(0.3)	68.1
393.1	United Auto Workers/MI	(0.2)	907.4
236.4	Electrical Workers/DC	16.0	167.8
207.8	Machinists & Aerospace Workers/DC	(15.2)	96.8
176.6*	Communications Workers/DC	8.7	75.2
169.7	United Transportation Union/OH	4.0	29.5
145.7	AFL-CIO/DC	4.1	67.3
131.7	Natl Assn of Letter Carriers/DC	1.9	33.3
113.5	Plumbers/DC	(1.6)	92.1
102.7	Natl Education Association, Ohio/OH	0.4	8.4
122.6*	United Mine Workers/DC	(2.4)	126.5
86.2	Carpenters & Joiners/DC	(18.1)	162.2
85.8	Maintenance of Way Employees/MI	0.0	44.6
76.2	Natl Education Assn, Pa/PA	0.0	13.3
75.4	Graphic Communications/DC	16.3	67.3
71.4	NYC District Council 37/NY	(0.9)	18.2
70.3	Teamsters, Local 710/IL	0.0	6.5
68.5	Service Employees/DC	1.1	25.7
67.1*	Postal & Federal Employees/DC	(0.5)	5.4
66.7	Iron Workers/DC	2.1	52.1
64.8	NY State United Teachers/NY	(0.9)	33.9
60.0	TV and Radio Artists/OH	NA	3.9
57.4	United Federation of Teachers/DC	2.2	25.0
57.2	Laborers/DC	1.8	29.6
56.9*	Teamsters, Local 705/IL	(0.8)	14.4
53.2	Electrical Workers, Local 3/NY	0.8	18.4

*1988 figures. NA: Not available.
Sources: IRS; Department of Labor

TAX-EXEMPT FUNDS

Union plans, corporate plans, pension funds mainly. Revenues of multiple-company plans are combined.

Revenue	Organization/State	Excess/(def)	Assets
16,565.5	TIAA-CREF†/NY	0.0	70,871.8
7,049.4	General Motors/NY	3,695.1	39,575.4
5,226.0	AT&T/NJ	3,518.0	35,467.0
3,421.0	General Electric/CT	1,759.1	30,631.0
2,938.2	Ford Motor/MI	2,006.9	14,668.9
2,266.9	Pacific Telesis/CA	1,806.7	11,442.5
2,138.9	Ameritech/IL	1,540.8	12,069.3
2,065.7	IBM/NY	1,535.4	19,580.1
2,038.2	Nynex/NY	1,312.3	13,817.7
2,018.8*	El du Pont de Nemours/DE	1,400.0	16,658.4
2,017.1	Teamsters, Western Conference/WA	1,303.3	9,641.2
1,889.8*	Exxon/NY	(1,240.9)	7,700.0

Revenue	Organization/State	Excess/(def)	Assets
1,837.3	GTE/CT	1,800.2	10,521.0
1,680.5	Teamsters, Central States/IL	720.4	8,583.5
1,506.3	Sears Roebuck/IL	676.9	6,647.0
1,463.9	Boeing/WA	1,050.8	9,225.0
1,405.1	Bell Atlantic/PA	957.9	9,747.2
1,344.0	Procter & Gamble/OH	832	4,044.6
1,264.2	BellSouth/GA	914.6	9,176.3
1,223.0	Eastman Kodak/NY	867.4	7,980.2
1,045.6	US Steel & Carnegie Pension/NY	37.8	8,767.3
1,014.2	Southwestern Bell/MO	607.5	7,226.1
967.5*	United Mine Workers/DC	544.0	5,195.3
959.7*	Rockwell International/CA	476.0	6,492.4
940.8	United Technologies/CT	577.1	7,626.4
922.0	Shell Oil/TX	659.0	7,318.0
916.0	General Dynamics/MO	636.0	5,260.0
898.0	Chevron/CA	497.0	5,765.0
879.6*	Lockheed/CA	540.1	7,408.6
873.0	Caterpillar/IL	572.0	4,427.5
744.5	American Airlines/TX	579.9	3,475.0
731.0	Unisys/PA	483.0	4,500.0
709.3*	McDonnell Douglas/MO	339.0	7,545.7
669.6	Delta Air Lines/GA	514.5	3,498.5
660.0	Amoco/IL	301.0	4,113.0
639.4	Allied-Signal/NJ	342.9	4,336.0
602.8*	Chrysler/MI	322.0	4,100.0
583.6*	Hughes Aircraft/CA	502.4	6,300.0
573.9*	Mobil Oil/NY	60.6	4,357.5
573.1	Philip Morris/NY	375.2	4,341.3
550.1	JC Penney/TX	217.4	3,696.8
514.0	United Airlines/IL	361.0	3,407.7

*1986 figures. †Combined figures. *Sources: IRS; Department of Labor; Money Market Directories; company reports*

HEALTH AND WELFARE INSURANCE

Union plans, company plans, fraternal organization plans; medical, dental and vision insurance, life insurance, supplemental unemployment insurance.

Revenue	Organization/State	Excess/(def)	Assets
1,630.0*	Aid Association For Lutherans/WI	13.0	6,246.3
1,244.4	Lutheran Brotherhood/MN	40.1	5,562.1
980.4*	General Electric/NY	148.6	1,262.6
966.7	Railroad Employees/DC	38.8	473.5
902.3‡	Mutual of America Life Insurance/NY	36.0	4,167.5
680.7*	IBM Medical/Dental Plan Trust/NY	22.5	165.3
650.5	Knights of Columbus/CT	50.9	2,803.3
558.1	Central States Health & Welfare Fund/IL	12.7	279.9
545.7	Woodmen of World Life Insurance/NE	25.5	2,182.4
327.3‡	United Mine Workers 1974 Pens/DC	124.0	3,115.8
323.2	Modern Woodmen of America/IL	35.5	1,418.0
300.8*	GM Supplemental Unemp Trust/NJ	1.2	17.8
288.6*	Delta Dental Plan of Michigan/MI	5.6	123.0
282.0*	Mich Education Special Svc Assn/MI	22.1	49.1
236.3*	Bethlehem Steel Corp/PA	4.7	149.2
194.9	California Vision Service/CA	2.1	NA
190.3†	United Mine Workers 1950 Plan/DC	(9.9)	78.6
181.2*	United Food & Comm Workers/CA	(34.9)	121.4
169.6*	Intl Ladies Garment Workers/NY	(2.5)	533.5
160.1	3M/MN	(5.5)	94.3
150.7	Northrop Corp/NY	15.2	262.4
150.3	Procter & Gamble/OH	(0.1)	46.5
134.0‡	Natl Rural Electric Co-op/DC	2.2	196.1
120.2*	National Elevator Industry/PA	(2.1)	124.6
120.1	JC Penney Medical Plan/TX	3.5	34.8
118.3‡	Delta Air Lines Med Plan/GA	(0.7)	38.7
115.0‡	Building Service/NY	(0.1)	60.8
113.9*	Hewlett-Packard/CA	(9.3)	81.0
109.2‡	District Council 37/NY	13.9	110.3
106.3	Screen Actors Guild/CA	6.6	66.8
105.4†	Hotel & Restaurant Employees/IL	(0.3)	65.7
101.8	Caterpillar Suppl Unemp Benefit/IL	19.9	86.7

*1988 figures. ‡1987 figures. †1986 figures. NA: Not available.
Sources: IRS; Department of Labor

CREDIT UNIONS

Some state chartered, some federal, but all funded by members' deposits.

Revenue	Organization/State	Excess/(def)	Assets
376.5	Navy Federal/VA	41.8	3,913.7
204.4	States Employees/NC	12.2	2,090.4
150.2	United Airlines Employees/IL	8.2	1,727.9
128.8	Pentagon Federal/VA	10.1	1,239.0
102.7	Boeing Employees/WA	11.9	1,148.4
87.1	Hughes Aircraft Employees/CA	3.4	1,001.2
81.5	Alaska USA Federal/AK	(10.7)	882.9
78.3	American Airlines Employees/TX	7.5	842.0
77.6	Eastern Financial Federal/FL	(7.7)	729.9
76.2	The Golden 1/CA	8.1	740.4
66.2	IBM Poughkeepsie/NY	4.4	662.4
65.2	Telephone Employees/CA	5.7	654.9
64.6	LMSC Federal/CA	12.2	693.7
64.5	Tinker/OK	3.0	595.2
63.8	Orange County Teachers/CA	8.4	673.7
60.6	America First/UT	3.7	557.9
59.9	Construction Equipment/IL	6.9	610.4
59.2	San Antonio Federal/TX	2.9	548.5
58.4	Lockheed Federal/CA	9.2	559.9
56.7	Security Service Federal/TX	1.8	557.1
54.4	Redstone Federal/AL	5.4	526.8
51.3	Suncoast Schools Federal/FL	4.9	519.0

Source: Callahan & Associates

ELECTRIC COOPERATIVES

Distribution, transmission and generation co-ops to supply power to agricultural areas. Member dividends are a tax-free return on capital.

Revenue	Organization/State	Excess/(def)	Assets
275.1	Old Dominion Electric/VA	3.8	358.4
251.4	So Miss Electric Power/MS	(4.2)	779.3

Revenue	Organization/State	Excess/(def)	Assets
238.7	Central Electric Power/SC	0.2	136.4
228.8	East Kentucky Power/KY	3.6	940.7
182.7	Green River Electric/KY	1.8	85.6
181.2	Brazos Electric Power/TX	7.6	553.9
169.9	Soyland Power/IL	0.4	1,127.0
164.5	Buckeye Power/OH	7.0	528.9
157.8	Alabama Electric/AL	2.1	468.4
157.4	Cooperative Power/MN	3.7	780.8
153.4	Henderson-Union Rural Elec/KY	1.3	62.3
144.3	Lee County Electric/FL	13.0	240.1
144.0	Kamo Electric/OK	2.8	376.8
131.4	Clay Electric/FL	13.0	227.5
131.3	Withlacoochee River Elec/FL	8.9	222.9
129.7	Amer Municipal Power/OH	1.9	102.6
127.1	Southern Maryland Electric/MD	10.2	210.8
116.1	Middle Tennessee Electric/TN	6.6	111.9
110.3	Cobb Electric/GA	7.1	221.3
109.8	Northern Virginia Electric/VA	5.6	204.7
101.6	Jackson Electric/GA	9.8	184.9
101.0	San Miguel Electric/TX	4.2	427.3
98.5	Chugach Electric/AK	8.2	432.6
96.2	Southwest Louisiana Electric/LA	7.0	165.9
93.9	Minnkota Power/ND	2.5	124.1
92.0	North Georgia Electric/GA	3.7	75.8
89.2	Nebraska Electric/NE	0.0	14.8
86.1	Rappahannock Electric/VA	5.3	130.6
75.2	Volunteer Electric/TN	4.6	86.1
74.7	Dixie Electric/LA	1.2	144.4
74.4	Sumter Electric/FL	4.1	140.6
71.9	Anoka Electric/MN	2.8	96.0
71.5	Walton Electric/GA	5.6	118.7
70.3	Central Iowa Power/IA	2.6	260.4
67.5	Central Electric Power/MO	3.8	68.2
65.4	Southern Pines Electric/MS	1.6	88.2
65.0	Cumberland Electric/TN	1.9	92.2
63.5	Dakota Electric/MN	2.7	103.0
62.8	Moon Lake Electric/UT	2.3	66.3
60.1	South Central Power/OH	6.0	114.1

Source: REA

AGRICULTURAL COOPERATIVES

Marketing organizations for specialized farmers, buying organizations for small businessmen, farmers and retailers. Dividends are taxable, as are undistributed income and unrelated business income.

Revenue	Organization/State	Excess/(def)	Assets
3,234.1	Agway/NY	11.1	1,701.3
3,035.1	Associated Milk Producers/TX	12.4	348.3
2,975.2	Farmland Industries/MO	99.2	1,182.4
2,846.0	Harvest State/MN	20.1	435.7
2,377.0	Land O'Lakes/MN	34.0	721.2
2,333.5	Roundys/WI	6.0	371.2
1,797.7	Mid-America/MO	1.0	425.7
1,546.3	Ace Hardware/IL	5.7	496.8
1,365.2	Cenex/MN	43.7	656.2
1,237.6	Union Equity/OK	(9.6)	220.3
1,209.4	Gold Kist/GA	46.4	567.6
1,153.0	Indiana Farm Bureau/IN	11.0	190.0
1,082.6	Servistar/PA	(1.3)	300.0
1,025.1	Hardware Wholesalers/IN	3.1	272.5
960.7	Countrymark/OH	1.9	204.6
947.0	Ag Processing/NE	42.0	219.5
937.2	Dairymen/KY	4.4	227.5
930.8	Sunkist Growers/CA	0.7	201.1
873.1	Ocean Spray Cranberries/MA	34.6	520.7
855.9	CF Industries/IL	NC	797.9
827.8	Southern States/VA	8.4	283.8
746.6	Tri Valley Growers/CA	53.5	505.2
685.7	Calcot/CA	35.0	243.8
659.2	Natl Cooperative Refinery/KS	78.1	351.4
656.4	Riceland Foods/AR	4.7	203.6
572.6	Prairie Farms Dairy/IL	19.3	156.5
572.2	Sun Diamond Growers/CA	53.4	88.9
559.6	Wisconsin Dairies/WI	6.5	151.1
486.0	CA Almond/CA	1.7	270.1

NC: Not comparable. *Source: company reports*

FUNDING/ADMINISTRATIVE AGENCIES

Instructional and research funding, scholarships, dormitory construction funds. Public agencies to assume administrative and other burdens from government.

Revenue	Organization/State	Excess/(def)	Assets
2,581.7	NYC Health & Hospitals Corp/NY	(66.4)	1,615.1
762.3	University of Colorado/CO	38.7	836.1
558.6	Common Fund for Non-Profit Org/CT	510.7	5,325.0
427.6*	Manhattan & Bronx Surface Trans/NY	(51.1)	177.3
409.8	Natl Rural Util Co-op Finance/DC	36.0	4,624.3
399.4	City U Construction Fund/NY	2.4	12.2
287.9	Research Foundation, SUNY/NY	(2.9)	79.5
277.4	University of Delaware/DE	35.4	757.1
117.3	Ohio State U Research Foundation/OH	(0.2)	23.6
107.1	Research Foundation, CUNY/NY	7.5	79.6
100.6	Calif Student Loan Finance Corp/CA	(368.4)	1,430.9
92.5	Texas A&M Research Foundation/TX	2.7	25.4
86.6	United Student Aid Funds/IN	41.2	271.5
82.5*	Purdue Research Foundation/IN	4.7	68.0
67.6*	Higher Education Asst Foundation/MN	2.9	286.2
67.5‡	Dubuque Racing Association/IA	2.6	10.6
62.7	Northern Calif Power Agency/CA	4.6	442.4
58.5	Kansas U Endowment Assn/KS	24.9	233.6
58.2	San Diego State U Foundation/CA	2.3	47.6
54.3	NYC Public Develop Corp/NY	4.4	65.6

*1988 figures ‡Total track handle NA: Not available *Source: IRS*

Part manufacturer, part retailer, Tandy Corp. is not an easily understood company. It is, however, a very profitable company, and appears to be getting more so.

"We're still here"

By Alyssa A. Lappen

THE UNSTRUCTURED, almost accidental beginnings of many of the giants of the microcomputer industry have become part of the folklore of the computer business. Steve Jobs and Stephen Wozniak invented the first Apple computer in Jobs' garage. Compaq founder Rod Canion and his colleagues sketched their first portable computer on the back of a pie shop place mat.

Tandy Corp.'s John Roach was there at the very beginning. In 1977, when Tandy was searching for products to supplement the citizens band radios it was selling, Roach helped build Tandy's first computer prototype. He tested the software on his kitchen table. Roach then suggested to Charles Tandy that the company manufacture personal computers and sell them through its Radio Shack chain. On seeing the machine, Tandy reportedly puffed on his cigar and said, "Build 2,000, and if they don't sell, use them in our stores."

They sold, and Tandy's computers are still selling, at the rate of over $1 billion a year. And to some surprising customers. The quality of Tandy's products, especially its computers, is so highly regarded that Digital Equipment Corp. and Matsushita, among others, are buying them to sell under their own names. The five notebook and desktop computer models that Tandy makes for Matsushita's Panasonic retail in computer stores nationwide for $1,150 to $3,200.

In another coup, last month N.V. Philips of Holland and Tandy agreed that Tandy would build their innovative tape deck, designed to play both digital and conventional audiocassettes. The new product will probably be available in 1992. Tandy is clearly to be taken seriously as a maker of sophisticated technological products.

Remarkably, most of the products that Tandy manufactures—and all of its desktop computers—are made in the U.S. During the 1970s and early 1980s, when many U.S. electronics companies were moving their manufacturing abroad, Roach risked keeping most of his production at home (Tandy has 5 plants outside the country, 24 inside). As the dollar has dropped in value and the price of Asian electronics has risen, Tandy has benefited from low-cost production at home in the U.S.

"American consumer electronics companies like RCA, GE, Magnavox and Motorola's Quasar are all gone [from the U.S.]. But we're still here," says Roach proudly. Indeed it is: a well-integrated consumer electronics company that designs, builds and retails its products successfully in an intensely competitive environment.

In 1981, following the overnight success of the Model TRS-80 computer, Tandy's board promoted Roach from head of manufacturing to chief executive. Roach was only 42. Since then Tandy's sales and revenues have roughly doubled. In its 1990 fiscal year (which ended June 30) Tandy earned $290 million on sales of $4.5 billion.

Chuck Peddle, a computer industry entrepreneur who over the years competed against Tandy while at Commodore International, Victor Technologies and Tandon, sums up the opinion of many in the industry when he says of Roach: "If I thought I could take him out, I would, because he's a lot tougher than a lot of other players."

To those who believe in the ability of the stock market to value assets accurately, Tandy is a challenge. With its shares recently at 23⅞, Tandy's market value was just $1.9 billion. That's about 40 cents on the sales dollar, less than seven times earnings, and barely five times cash flow.

"Wall Street," Roach says, "just doesn't understand us." Peter Teige, a computer market analyst at Santa Clara, Calif.'s InfoCorp, calls Tandy "the most overlooked and misunder-

stood company in the industry."

Not that Tandy is an easy company to come to grips with. Through its Radio Shack stores and a couple of smaller chains, Tandy is the nation's largest retailer of consumer electronics, selling about $3.4 billion worth of a dizzying mix of wire, batteries, recording tape, amateur radio parts, audio and television equipment, computer equipment and software, cellular telephones (it's the biggest U.S. distributor) and electronic toys. So Tandy is a specialty retailer akin, say, to Circuit City, Computer Factory or Businessland.

But something like half of the products that Tandy sells through Radio Shack are produced in its own plants. So Tandy is also a manufacturer, à la Commodore International, Apple or Compaq.

In fact, it's even more complicated. Of Tandy's $3.4 billion in retail sales, about $470 million were brand name consumer electronics products of other manufacturers that Tandy sells through two consumer electronics chains it bought in 1985, McDuff and VideoConcepts. These discount chains, based predominantly in the South, sell high-ticket name brand gear like $3,000 Yamaha big-screen televisions, Frigidaire refrigerators and Maytag washers.

Merchandise sold through these outlets carries smaller gross margins—just over 32% in the last fiscal year—compared with the 53.4% gross spread on goods that went through Radio Shack stores. Why push the name brand business? Because that's where the growth is. Radio Shack same-store sales grew by less than 1% last year. Tandy's name brand same-store sales grew 19%.

In short, then, how Tandy is doing these days depends upon one's perspective. Relative to a manufacturer like Commodore, Tandy is doing fine. Its net margins, over 6%, are far superior to Commodore's and not all that far below Apple Computer's 9% *(see table, opposite)*.

Relative to other specialty retailers, Tandy is also doing fine. Both Businessland and Computer Factory are losing money. Even well-run Circuit City nets less than 4% on sales.

Only in relation to its own past is Tandy currently doing not so well. In the first quarter of fiscal 1991, revenues climbed 11%, to almost $1.1 billion, against last year's $986 million. Net income, meanwhile, fell nearly 17%, to $52.2 million, or 65 cents a share, from $62.8 million, or 73 cents. Tandy stock has fallen from over 40 a share earlier this year to 24, substantially more than the total market.

The company claims the steepness of the earnings drop last quarter came mainly because of price cuts to clear slow-moving and discontinued inventory. Indeed, Radio Shack, which now calls itself "America's Technology Store," only recently installed a computerized point-of-sale inventory control system. Toys "R" Us, in contrast, had a computerized point-of-sale system in place in the early 1980s.

Danny Turner

Radio Shack President Bernard Appel
Fewer, more profitable stores.

Now, headquarters in Fort Worth knows more about the mix and timing of sales in individual stores. Before, each one carried pretty much the same inventory mix of Radio Shack's 3,200 retail items. What that meant was that an outlet on the Upper West Side of Manhattan carried the same assortment of tuning knobs, alligator clips and home antenna parts as a store in Provo, Utah, regardless of the needs of the neighborhood's customers. Today Radio Shack can target marine radio and navigation equipment to stores near the shore.

With the new inventory system in place, the buyers at headquarters will be able to buy less merchandise more often; they will know exactly what sells in which stores, and what doesn't. That should produce substantially lower inventory costs.

The new inventory system is another step in Roach's campaign to increase the productivity of each of Tandy's stores. In this quest he is ably assisted by Radio Shack's streetwise president, Bernard Appel, a 31-year veteran of the Radio Shack chain. "Bernie," says Roach, simply, "is the best buyer of consumer electronics in the world."

Since 1986 Roach and Appel have shrunk the number of Tandy stores. In that year the number of stores hit a peak of 9,251, but the company spun off more than 2,000 foreign stores to Fort Worth-based Intertan Inc. The year before, sales per store had averaged $238,000. At the end of fiscal 1990 there were 7,034 stores, with average sales of $41[illegible],000 per store. Over the last five years net profits have climbed from $190 million to nearly $300 million.

Yes, margins, both gross and net, have declined since the mid-1980s. But that reflects primarily the increase of other manufacturers' products in Tandy's sales mix and the expansion of the name brand stores. "Whether or not we ever go back to the kind of margins we had when Radio Shack was our only business and was opening a store a day is moot," says Roach. "We still have margins severalfold above most other retailers, and even in a bad year we've done well."

If Tandy is earning more money with fewer stores, it is ironic that Wall Street is down on Tandy in large measure because the stores are perceived as dull, if not downright shabby. Still, there is some reason for this perception. One-third of Tandy's stores still have the same old cluttered appearance they have had for decades.

But as part of their plan to increase per-store volume, Roach and Appel began a $200 million remodeling campaign in 1986. So far, two-thirds of Radio Shack's surviving stores have had face-lifts; computers and other high-ticket items are now neatly displayed at the front of the store, and the clutter has been m[illegible]d to the back. Appel has also intro[illegible]d more expensive items like the n[illegible]w high-end Optimus compact disc player and other stereo equipment and Realistic portable VHS camcorders.

The trick has been to upgrade the look of the stores without significantly reducing the accessible, folksy image. And so far the neater new look seems not to have intimidated anybody coming in for new batteries for a Walkman. Whether it will make the

chain more credible as a place to buy high-end stereo equipment and computers—and the new Tandy/Philips digital/analog tape recorder—remains to be seen.

Tandy is also looking for big sales at Radio Shack for a new product it introduced in July, the 1000 RL home computer. Priced at $700 to $1,300, it costs less than IBM's new entry into the home computer market, the PS/1. The 1000 RL features built-in software that the company says "uniquely becomes a member of the family" with programs tailored for every aspect of home life from compiling recipes to checkbook balancing.

The machine—which is IBM-compatible—is fast and remarkably easy to use. Store people have been trained to give a complete demonstration in about 15 minutes. If there is a big market for home computers, the 1000 RL should grab a profitable slice of it.

"People still talk about Radio Shack as junky," says Chuck Peddle, the entrepreneur who competed against Tandy, "but John Roach has definitely raised its image, and he's used the personal computer to do it."

Computer sales to business has never been one of Tandy's strongest suits. But here, too, Roach has been on the move. In 1989 Tandy acquired Grid Systems, a maker of sophisticated laptops and peripherals. The Grid Systems acquisition, and the development of interchangeable hard disks—which allow business people to carry their databases—should give it a boost. So should the erasable CD system that Tandy's researchers have been working on.

Last year, to gain a foothold in Europe, Tandy acquired the Victor and Micronic personal computer marketers from Sweden's Datatronic AB. Though no European computer maker dominates markets the way IBM does here, these companies give Tandy some good product lines to build on the continent.

Danny Turner

Tandy Chairman John Roach
"Even in a bad year we've done well."

What is John Roach's most difficult problem? From the outside, it would appear to be counseling patience on the part of some members of the Tandy family. The Tandy clan still owns roughly 3.5 million shares, just under 5% of the total outstanding. Some young heirs, including Alfred R. Tandy, Charles' nephew, and his step-grandson Matthew Upchurch, recently proposed that management let shareholders cast a nonbinding vote in the current proxy on whether the board should keep the poison pill the company instituted a few years ago. The implication, of course, is that the Tandy heirs wouldn't mind seeing their grandfather's company taken over by an outsider at a hefty premium.

Says heir Upchurch: "We're frustrated with the stock performance." (Management refused to list the referendum.)

But Roach, still only 52, has been through economic cycles and bear stock markets before. Rather than thinking of selling the company, he has been buying: Tandy has bought back over 10 million shares in the last two years at a cost of over $400 million, most of it borrowed. It is a strong way for Roach and his board to say they understand Tandy and its prospects much better than Wall Street does. ■

Everything is relative

Tandy does well in relation to other computer manufacturers and to consumer electronics retailers. Tandy's 6.2% net return on sales, for example, compares with 6.0% at IBM and 3.6% at Circuit City.

Company	Sales[1]	Net income[1] ($million)	Market value	Net profit margin[1]	5-yr compound annual sales growth	Recent price	Yield	Price/ earnings
IBM	$65,600	$3,900	$60,500	6.0%	8.5%	105½	4.6%	15
Apple	5,600	503	3,700	9.0	30	30¾	1.4	8
Tandy	4,500	280	1,900	6.2	14	23⅞	2.5	7
Compaq	3,200	357	4,000	11.2	45	46⅝	none	10
Commodore	887	2	239	0.2	2.5	7⅜	none	148
Circuit City	2,182[2]	79[2]	614	3.6	32	13⅜	0.7	8
Businessland	1,354	(23)	52	NM	52	1¼	none	NM
Highland Superstores	914[3]	(11)[3]	34	NM	27	1⅞	none	NM
MicroAge	556	6	34	1.0	30[4]	8¼	none	6
Computer Factory	388	(14)	24	NM	51	2¼	none	NM

[1]Trailing 12 months as of June 30, 1990. [2]Trailing 12 months as of May 31, 1990. [3]Trailing 12 months as of Apr. 30, 1990. [4]Four-year growth. NM: Not meaningful.

Sources: Value Line; Standard & Poor's.

Statistical Spotlight

If the U.S. economy is on the edge of an abyss, you wouldn't know it from earnings forecasts for the 30 Dow stocks.

Recovery in sight?

By Gilbert Steedley

THE Dow Jones industrial average may not be as complete as the Wilshire 5000 or the S&P 500, but it sure carries a lot of psychological weight for investors. What lurks ahead for these mostly blue-chip companies?

If you believe the forecasts for these companies, there won't be much of a recession next year. Analysts, following the downward movement in stock prices, have cut earnings forecasts recently, but still expect 1991 earnings gains for all but International Paper, Union Carbide and Woolworth.

The composite earnings of the Dow 30 (an unweighted sum adjusted by a historical split factor) are expected to come in at $258 next year. At a recent 2448 the index is selling for 9.5 times those hoped-for earnings. ■

Blue-chip outlook

A third of the Dow stocks are expected to show earnings declines for 1990. But analysts are forecasting increases for all but three in 1991. As a group, the Dow stocks sell for 9.5 times estimated 1991 earnings.

	Stock price				1990 estimate		1991 estimate			
Company	recent	52-week high	low	1989 EPS	EPS	6-month change	EPS	6-month change	P/E	Yield
Allied-Signal	25¼	38⅝	25¼	$3.39	$3.38	–3%	$3.50	–8%	7.2	7.1%
Aluminum Co of Amer	54⅜	79⅝	54	10.86	7.15	–12	7.96	–15	6.8	5.5
American Express	17⅞	39⅜	17⅞	2.70	0.78	–66	3.09	–7	5.8	5.1
American Tel & Tel	33⅜	50	29⅞	2.50	2.60	–10	2.65	–14	11.7	4.0
Bethlehem Steel	11	21⅜	11	4.34	0.97	–58	2.35	–43	4.7	3.6
Boeing	46¼	61¼	35½	1.96	4.04	4	5.05	6	9.1	2.2
Chevron	67⅛	81⅝	59⅝	4.24	5.50	19	5.94	14	11.3	4.6
Coca-Cola	43¾	48⅜	31	1.67	2.02	2	2.36	3	18.5	1.8
E I du Pont de Nemours	33⅛	42⅜	32⅜	3.60	3.47	–3	3.66	–5	9.1	4.8
Eastman Kodak	38⅛	49¼	36⅛	3.89	3.92	2	4.36	0	8.7	5.2
Exxon	47⅝	55⅛	43¼	3.66	3.91	2	4.40	4	10.8	5.0
General Electric	50⅞	75½	50¼	4.36	4.90	0	5.41	–3	9.4	3.7
General Motors	37	50½	35⅜	6.33	4.05	–21	4.17	–33	8.9	8.1
Goodyear Tire & Rubber	15½	54¾	15½	5.36	1.04	–71	1.89	–54	8.2	11.6
IBM	106	123⅛	93⅜	6.47	10.11	2	11.04	0	9.6	4.6
International Paper	48⅛	59¼	42¼	7.72	6.41	3	5.68	–2	8.5	3.5
McDonald's	25⅝	38½	25	1.95	2.21	0	2.48	–2	10.3	1.3
Merck & Co	78¼	91⅛	67	3.78	4.53	1	5.34	1	14.7	2.9
Minnesota Mining & Mfg	77⅞	91⅜	67¾	5.60	6.04	–1	6.60	–2	11.8	3.7
Navistar International	2⅜	4⅞	2¼	0.23	–0.05	NM	0.24	–59	9.9	—
Philip Morris	45⅞	51½	36	3.02	3.82	5	4.67	5	9.8	3.7
Primerica	18⅜	37¾	18⅜	2.85	3.29	–1	3.74	–3	5.0	2.1
Procter & Gamble	77⅝	91¼	58⅛	3.56	4.49A	4	5.14	4	15.1	2.3
Sears Roebuck	23½	44½	23½	4.15	3.65	–22	4.19	–22	5.6	8.5
Texaco	59¼	68½	49⅞	4.48	5.14	8	5.84	8	10.1	5.1
Union Carbide	15¾	28⅝	14⅛	4.48	2.35	–21	2.00	–12	7.9	6.3
United Technologies	45½	62½	40⅛	5.34	5.72	0	6.27	–2	7.3	4.0
USX	30⅞	39½	30⅛	3.25	3.00	8	3.38	6	9.1	4.5
Westinghouse Electric	25¼	39⅝	25¼	3.15	3.47	0	3.70	–3	7.0	5.4
F W Woolworth	25¼	36⅝	22⅞	2.36	2.75	–2	2.74	–13	9.2	4.1

A: Actual. NM: Not meaningful

Source: Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source

The Forbes Wall Street Review

By Eric S. Hardy

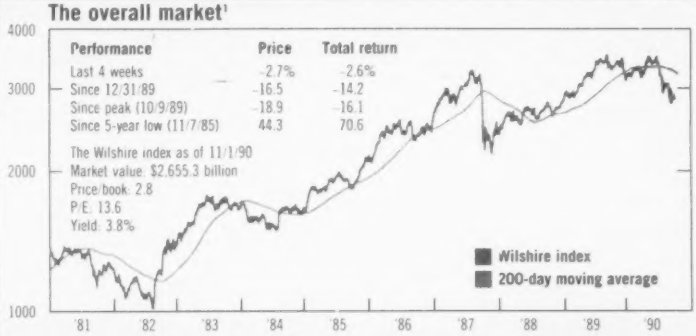
"There is one chance in six that the stock market will drop a lot more," says A. Michael Lipper, president of New York-based Lipper Analytical Services. Lipper thinks that stock prices should bottom out in the first quarter of 1991. What about the chances of a market turnaround? According to Lipper, one positive sign would be a drop in yields of long-term U.S. Treasurys.

Although the Dow industrials had more than a 120-point intraday trading range during the two weeks ended Nov. 2, the index finished the period almost unchanged. Meanwhile, the 6,000 stocks tracked by the Wilshire index were up a scant 0.2%; the secondary markets posted slight losses.

Computer Associates International, which trades at a third of its 1989 high, had the best two-week gain. It reported per-share net of 15 cents, a few cents more than analysts expected, after several disappointing quarters. Perhaps analysts overreact to surprises—positive or negative. The company's president, Anthony Wang, himself says: "To expect high-technology companies to come in quarter after quarter exactly in line with Wall Street expectations is ridiculous."

The worst-performing issue was troubled Unisys, which fell another 35%. During the third quarter, total debt at Unisys rose $300 million, to $4 billion. Another computer firm, Sun Microsystems, fell 30%.

The overall market[1]



The Best Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Computer Associates Intl	7¼	26%	9	6,079	0.9
Topps	13⅜	25	14	1,558	1.6
US HealthCare	23	25	26	5,526	1.4
Square D Cos	42⅜	22	10	985	1.7
General Dynamics	23⅜	21	NM	1,052	1.3

The Worst Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Unisys	2½	-35%	NM	14,482	1.7
Sun Microsystems	16	-30	13	18,889	1.3
CalMat	19⅛	-23	9	391	1.5
Maytag	10⅛	-22	8	3,215	1.3
State Street Boston	22⅛	-21	7	2,587	1.5

Closeup on the Market

Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	2,856.92	0.2%
Wilshire index 6,000 stocks, equal weighted	16.13	-0.4
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,454.95	0.1
S&P 500 Capitalization weighted cross section, major stocks	307.02	0.4
NYSE Capitalization weighted, all listed common stocks	167.59	0.3
Amex Capitalization weighted total return: stocks, warrants	288.90	-1.0
Nasdaq Capitalization weighted, all issues except warrants	330.60	-1.0
Amex international market index Capitalization weighted, 50 largest ADRs	292.37	-5.2

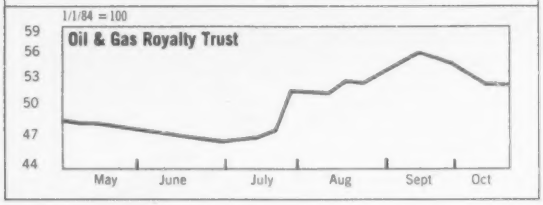
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	808.80	-3.6%
Institutional[5] Approximately 200 stocks with high institutional ownership	82.34	-3.6
Individual[5] Approximately 200 stocks with low institutional ownership	80.66	-2.2
Russell 2000 index 2000 stocks with small market values, capitalization weighted	118.91	-1.6
Gold[6] (composite quote of 6 major dealers)	$381.50	2.8
Yen[6] (per $U.S.)	130.50	4.9
Commodity index[6] (CRB futures index: 1967 = 100)	229.91	-0.5
Oil[6] (W Texas Intermediate)	$35.15	-4.5
T bills[6] (90 days)	7.03%	-22 basis points[7]
Broker loan rate[6]	9.50%	25 basis points[7]

Note: All data for periods ending 11/1/90. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 10/31/90. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

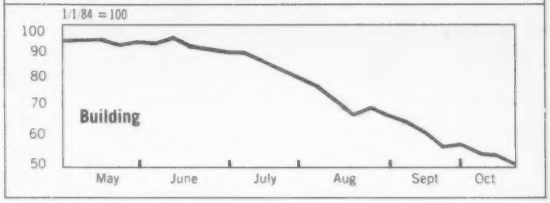
Industry Review

By Gilbert Steedley

Best industry last 6 months



Worst industry last 6 months



Oil and gas companies are leading the market. The Dow Jones industrial average is down 15% since late May, but over the last six months three energy groups—oil and gas royalty trusts, natural gas production and pipeline companies, and gas distributors—outperformed nearly 200 other industry groups. Los Angeles-based *Investor's Daily* tracks these industries with indexes in which each company, no matter its size, carries the same weight. Integrated oil and exploration companies were also near the top.

Home-building and apparel stocks are selling at rock-bottom price-to-earnings multiples and show the worst six-month performance. Computer manufacturers were also near the bottom of the pile, and are perhaps badly oversold *(see story, p. 257)*.

Leading Industries

Oil & gas royalty trusts

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Tide West Oil	2⅜	27	97	94	24
BP Prudhoe Bay	31	9	91	2	NM
Sabine Royalty Trust	11¾	7	84	61	8
Permian Basin Royalty Trust	4¾	–5	72	78	10
San Juan Basin Royalty Trust	6⅞	–5	68	94	19

Oil & gas production-pipeline

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Seagull Energy	32⅛	38%	97	96	15
Associated Natural Gas	23	36	96	90	35
Valero Energy	18¾	34	96	59	12
Tejas Gas	29¾	28	95	86	21
Western Gas Resources	11½	19	92	83	13

Gas distribution

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Nicor	43½	24%	93	83	11
Diversified Energies	35⅜	24	93	20	NM
Oneok	14⅞	18	91	59	12
Consolidated Natl Gas	47¾	13	90	55	24
Indiana Energy	22¼	13	92	62	11

Lagging Industries

Building

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Standard Pacific LP	5	–61%	7	45	2
Kaufman & Broad Home	5⅝	–52	11	47	3
Ryland Group	10	–50	17	65	3
Centex	20½	–47	23	59	5
PHM	6⅞	–24	41	52	4

Apparel-textiles

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Gitano Group	13⅝	–57%	8	96	5
VF Group	13¾	–54	12	48	6
Fruit of the Loom	7¼	–46	21	96	5
Crystal Brands	16⅜	–44	18	81	5
Oshkosh B'Gosh	18½	–42	17	53	9

Computers

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Teradata	8¼	–66%	5	92	7
Atari	2¼	–63	4	47	32
Tandem Computer	10⅛	–58	9	53	9
Data General	4⅛	–55	11	34	NM
MIPS Computers	8¼	–52	18	32	21

Industries are ranked from 1 (highest) to 197 (lowest) based on the equal-weighted price performance of the companies within the industry group. Industry performance is based on 6-month equal-weighted price changes with most recent 3-month results weighted 70%. Relative strength is a stock's daily price change over the last 12 months. Relative EPS measures a company's earnings-per-share growth in the last 2 quarters, the last 5 years and the stability of that growth. For both measurements, stocks are compared with all other stocks and ranked on a scale of 0 to 99, with 99 the highest. NM: Not meaningful. All data for periods ending 10/26/90. Source: Investor's Daily, Los Angeles, Calif.

The happiest time in a man's life is when he is in hot pursuit of a dollar with a reasonable prospect of overtaking it.
JOSH BILLINGS

I have now reigned above 50 years in victory or peace, beloved by my subjects, dreaded by my enemies, respected by my allies. Riches and honors, power and pleasure, have awaited my call, nor does any earthly blessing seem to have been wanting to my felicity. In this situation I have diligently numbered the days of pure and genuine happiness that have fallen to my lot; they amount to 14. Oh man! place not thy-confidence in this world.
ABD-AL-RAHMAN

Human felicity is produced not so much by great pieces of good fortune that seldom happen as by little advantages that occur every day.
BENJAMIN FRANKLIN

Happiness: A way-station between too little and too much.
CHANNING POLLOCK

Happy is he who still loves something he loved in the nursery: He has not been broken in two by time; he is not two men, but one, and he has saved not only his soul but his life.
G.K. CHESTERTON

Happiness in this world, when it comes, comes incidentally. Make it the object of pursuit, and it leads us a wild-goose chase, and is never attained. Follow some other object, and very possibly we may find that we have caught happiness without dreaming of it.
NATHANIEL HAWTHORNE

What can be added to the happiness of a man who is in health, out of debt, and has a clear conscience?
ADAM SMITH

Thoughts
on the Business of Life

Listening to advice often accomplishes far more than heeding it.

At the heart of any good business is a chief executive officer with one.

Note to salary setters: Pay your people the least possible and you'll get from them the same.

Never hire someone who knows less than you do about what he's (or she's) hired to do.
MALCOLM FORBES

It is neither wealth nor splendor, but tranquillity and occupation, which give happiness.
THOMAS JEFFERSON

There is only one honest impulse at the bottom of Puritanism, and that is the impulse to punish the man with a superior capacity for happiness.
H.L. MENCKEN

There is no such thing as pure pleasure; some anxiety always goes with it.
OVID

Contempt for happiness is usually contempt for other people's happiness, and is an elegant disguise for hatred of the human race.
BERTRAND RUSSELL

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Money doesn't always bring happiness. People with ten million dollars are no happier than people with nine million dollars.
HOBART BROWN

No man is happy unless he believes he is.
PUBLILIUS SYRUS

When I think of how much you have meant to me all these years, it is almost more than I can do sometimes to keep from telling you so.
VERMONT HUSBAND'S COMPLIMENT

A Text . . .

Study to show thyself approved unto God, a workman that needeth not to be ashamed, rightly dividing the word of truth.
II TIMOTHY 3:15

Sent in by Ray Anderson, Davenport, Iowa. What's your favorite text? *The Forbes Scrapbook of Thoughts on the Business of Life* is presented to senders of texts used.

Are you so unobservant as not to have found out that sanity and happiness are an impossible combination?
MARK TWAIN

To describe happiness is to diminish it.
STENDHAL

The bird of paradise alights only upon the hand that does not grasp.
JOHN BERRY

If only we'd stop trying to be happy we'd have a pretty good time.
EDITH WHARTON

THE 400 LARGEST PRIVATE COMPANIES

HOW DELFORD SMITH'S PASSION FOR FLYING MADE HIM RICH

A FRESH-START JUNK BOND FUND

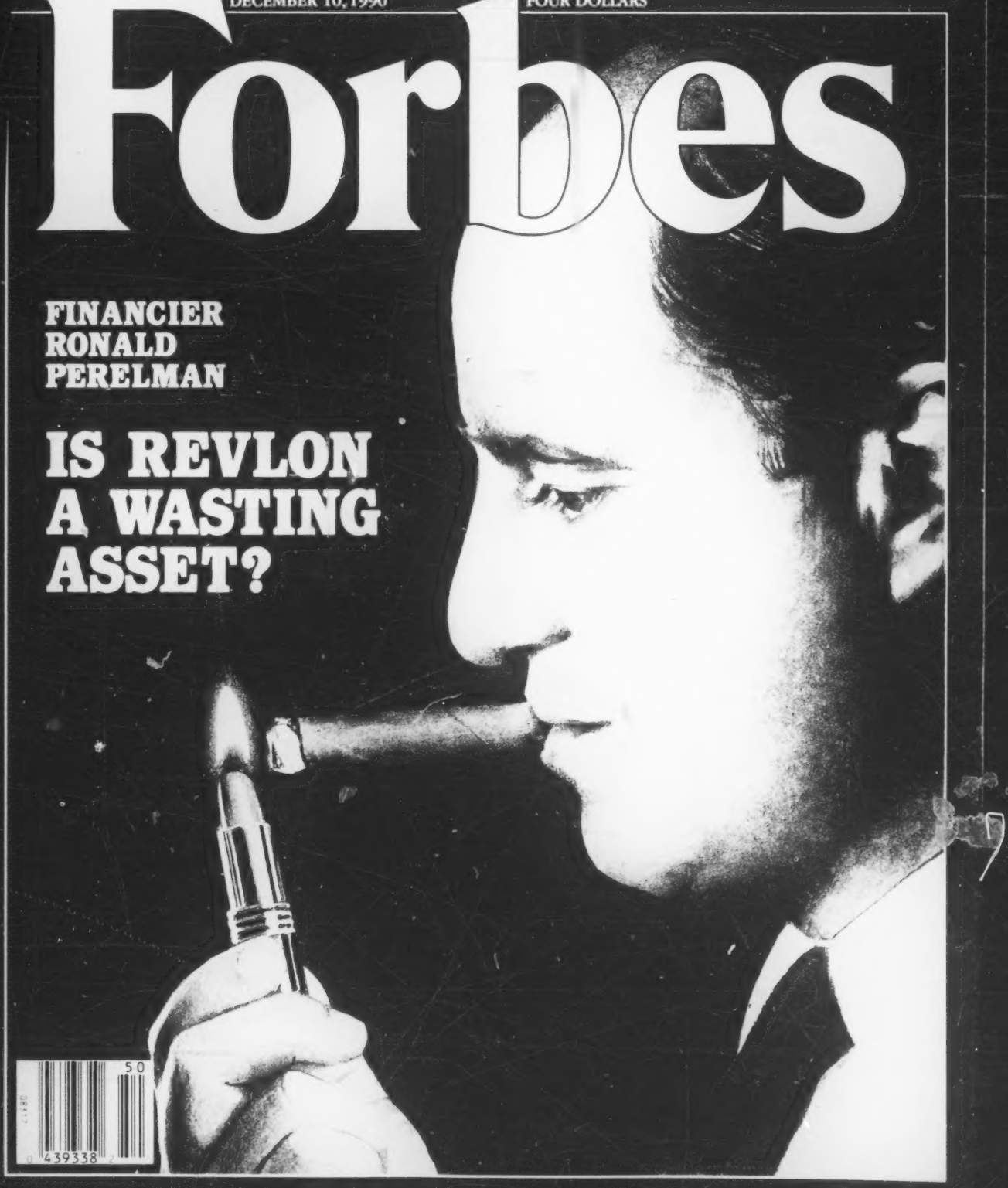
DECEMBER 10, 1990

FOUR DOLLARS

Forbes

FINANCIER RONALD PERELMAN

IS REVLON A WASTING ASSET?



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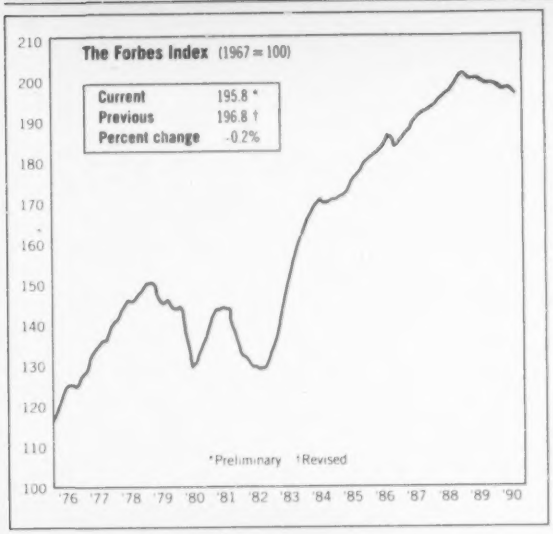
The Forbes Index



Evidence mounts that the economic expansion has come to a halt. In October, for example, an average of 430,800 new unemployment benefit claims were filed each week, a 9.6% increase from September's average and the most since May 1983. Also, after steadily increasing for most of the year, industrial production fell 0.8% as factories operated at only 82.6% of capacity. Retail sales rose a modest 0.1% in October. But all of that gain and then some was attributable to higher gasoline prices; in real terms, retail sales were off 0.5%.

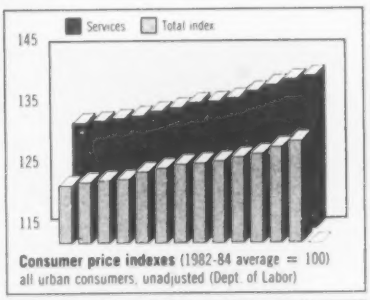
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.0%
Auto sales year to date vs. 1989[1]	Ward's Automotive	-3.3%
Index of leading indicators September vs. August	Dept of Commerce	-0.8%
Trade balance last 12 months ending August 1990	Dept of Commerce	-$100 bil
Producer price index October vs. 1989[2]	Dept of Labor	6.4%
GNP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	1.8%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	6.0%

[1]U.S.-based manufacturers, excludes imports, as of 11/10/90 [2]Finished goods [3]September 1990

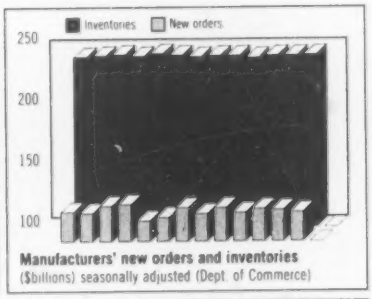
Index Components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

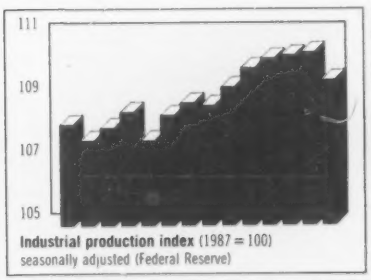
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)

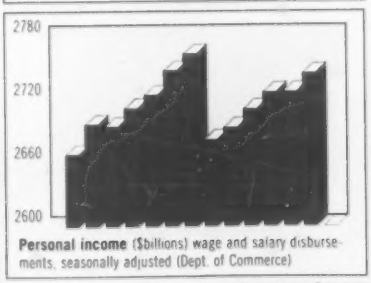


Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



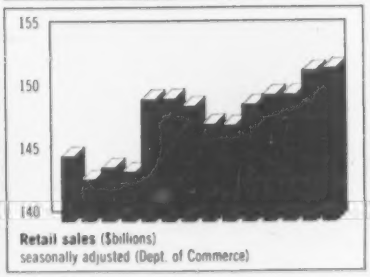
Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



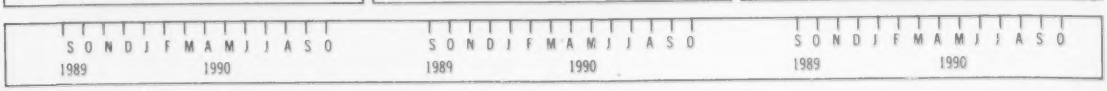
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)

New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)



Since the Bhopal disaster, Union Carbide Corp. has been struggling to make sense of its businesses and improve earnings. The struggle has yet to pay off.

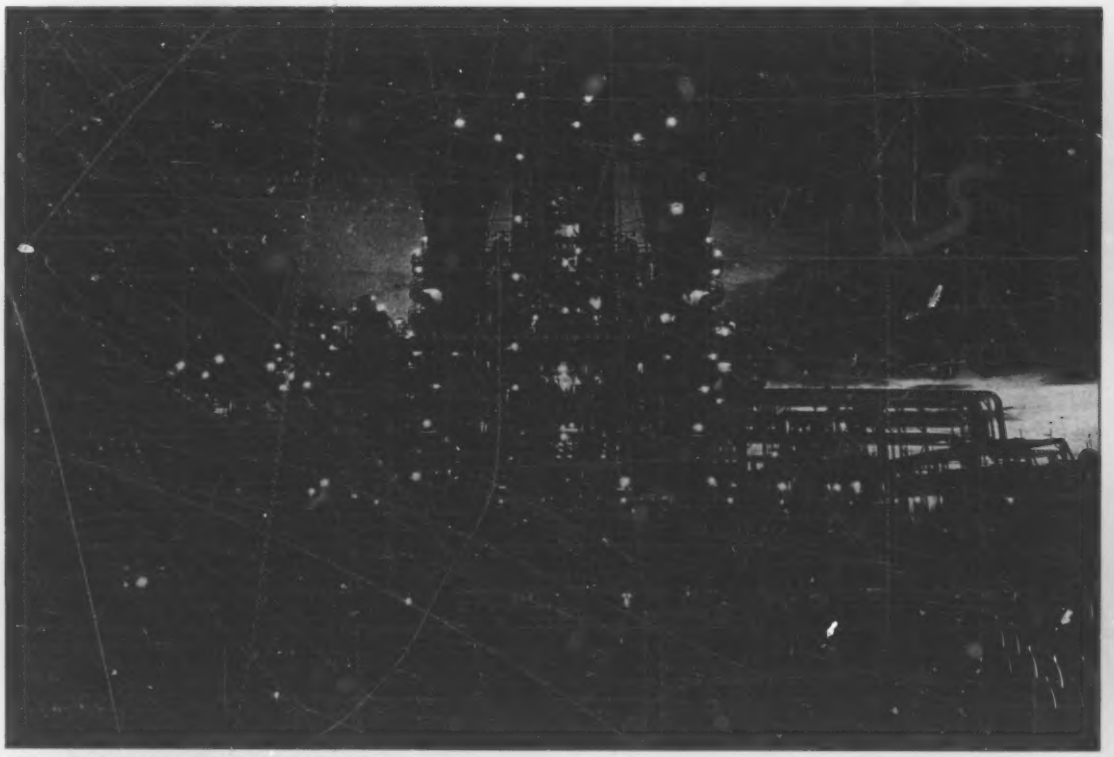
Breaking up is hard to do

By Alyssa A. Lappen

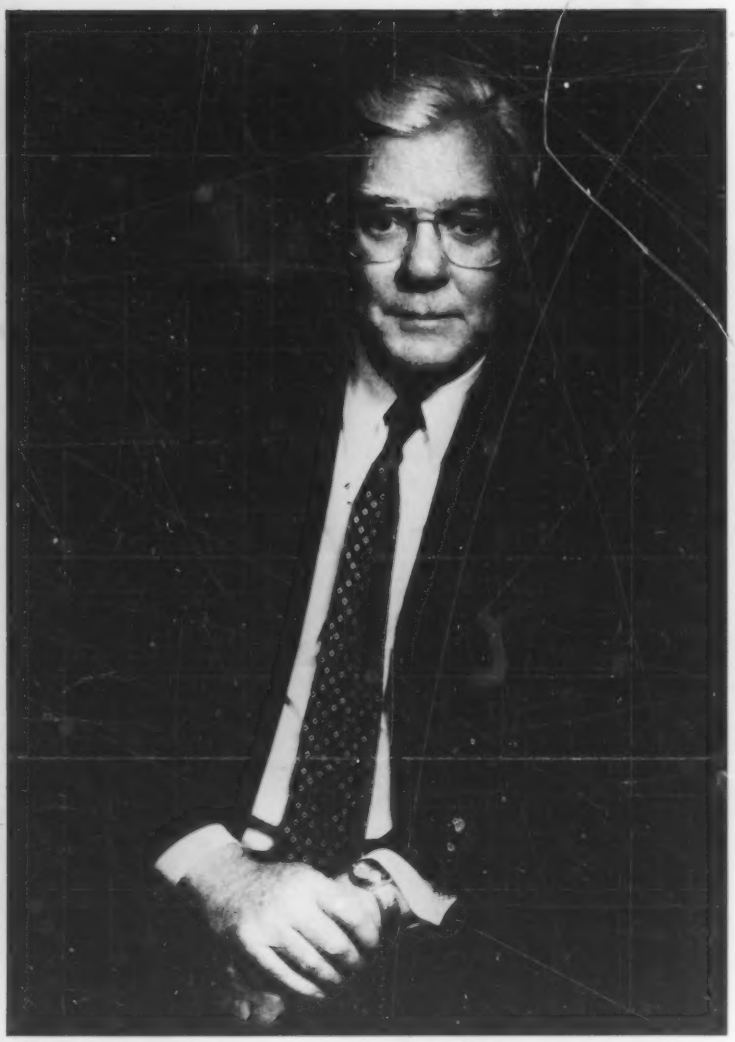
Is UNION CARBIDE on the block? Chief Executive Robert Kennedy says he will look at anything, "and I mean anything," to create what he calls "real value" for shareholders. Presumably that could include selling off all or part of the $8.6 billion (latest 12-month revenues) chemical company, which is facing possible new legal fallout from the 1984 Bhopal disaster *(see story, p. 108)*.

Kennedy isn't saying what he's up to. But one clue came when he split the company last year into three separate operating units—chemicals and plastics, industrial gases, and carbon products. Publicly, Carbide said the move would make each business more accountable. But the investment banking community was told by Carbide management that the reorganization would make one or all of the businesses easier to spin off, sell publicly or merge. Says John Haaga, a New Canaan, Conn.-based chemical industry consultant and former Carbide employee:

"Chances are that in five years



Union Carbide polyethylene plant in Louisiana
Good technology that hasn't lived up to its promise.



Union Carbide Chairman Robert Kennedy
"We'll look at anything—and I mean anything."

Union Carbide will not be Union Carbide anymore."

With debt of $3.3 billion, about 52% of Carbide's capital, Kennedy's maneuvering room is limited. He can't expand overseas or diversify. Profits this year are expected to sink at least 40% from 1989, to about $355 million ($2.85 a share). Carbide's bigger U.S. rivals—including Dow, Du Pont and Monsanto—are much more profitable *(see table, p. 106)*. Next year, likely to be soft for all major chemical companies, Carbide's earnings could drop another 20%.

The 1984 Bhopal disaster fundamentally altered Carbide. By 1985 the company's market value had plunged to less than $3 billion. GAF Corp.'s opportunistic Samuel Heyman accumulated a big block of stock that year and offered $78 a share, or $5.3 billion, for the company.

To repel Heyman, Kennedy's predecessor, Warren Anderson, borrowed $2.8 billion, raised $3.6 billion by selling assets, and paid those shareholders who tendered $3.3 billion, or $85 a share. The other 45% of shareholders got a payout of $1.1 billion, or $33 a share. That repelled Heyman but weakened Carbide to the point that it still has trouble keeping up with its competitors.

During the 1980s Dow, Monsanto and Du Pont all diversified into such value-added areas as oil refining, drugs and specialty chemicals. But to fight Heyman, Carbide sold its consumer businesses: Prestone antifreeze, Ever-

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How Union Carbide stacks up

Union Carbide earned a net margin of 4% in the last year, compared with 6.1% at Du Pont, 8.1% at Dow and 6.8% at Monsanto. Only Quantum did worse. As for its market capitalization, Carbide is valued at considerably less than Air Products or Arco Chemical, companies that are roughly one-third its size.

Company	Sales[1] ($mil)	Earnings[1] ($mil)	1980 earnings	Recent price	P/E	Market cap ($mil)	Net profit margin	5-year average ROE
Du Pont	$37,976	$2,325	$716	34½	10.0	$23,149	6.1%	12.2%
Dow Chemical	18,890	1,537	805	43	7.5	11,610	8.1	21.8
Exxon Chemical	10,390	556	345	NA	NA	NA	5.3	18.2
Monsanto	8,800	605	149	44¼	9.5	5,752	6.8	14.4[2]
Union Carbide	8,596	348	673[4]	16	7.0	1,900	4.0	24.2[2]
BP Chemicals	5,400	335	NA	NA	NA	NA	6.2	NA
Mobil Chemicals	3,668	341	119	NA	NA	NA	9.2	NA
Shell Chemical	3,483	338	128	NA	NA	NA	9.7	NA
Air Products & Chemicals	2,895	230	113	50¼	12.0	2,800	7.9	14.4
Arco Chemical	2,677	358	NA	34½	9.0	3,300	13.3	30.0[3]
Quantum Chemical	2,517	30	103	13½	12.0	365	1.1	9.0[3]
Vista Chemical	724	77	NA	22½	3.0	247	10.6	50.2[3]

[1]Trailing 12 months. [2]Four-year average. [3]Three-year average. [4]Including discontinued operations. NA: Not available or not applicable.

Source: Standard & Poor's.

eady batteries and Glad Bags. Now, nearly two-thirds of Carbide's sales come from cyclical commodities such as polyethylene, the profits from which are currently falling.

Even in markets where it's a leader, Carbide can't count on much growth. It can currently make 2.6 billion pounds a year of ethylene glycol, a $600 million a year (revenues to Carbide) commodity used in antifreeze and polyester fibers. Demand for this capital-intensive product grew only 2% last year—one of the lowest growth rates in the industry. Yet Carbide has announced plans to build another 660 million pounds of capacity by 1994 to serve the Far East—at a cost of $150 million.

When it belonged to Carbide, Prestone used about a third of Carbide's glycol. After selling Prestone to First Brands, Carbide wanted to keep its biggest customer, and agreed to tie First Brands' price for glycol to its own price for low-cost naphtha and other petrochemical feedstocks. But as tight capacity pushed glycol prices from 20 cents per pound in 1987 to 50 cents in 1989, Carbide's feedstocks remained cheap. The First Brands deal cost Carbide at least $200 million in profits.

In 1977 Carbide developed a breakthrough process, called Unipol, to make a stronger type of polyethylene. But today the company makes only about 11% of the nation's polyethylene, compared with 18% at Quantum Chemical and 11% at Dow.

Carbide in effect traded market share for royalties (now about $100 million a year) by licensing the Unipol technology. But it sandbagged its licensing efforts in the 1980s by selling its own Unipol polyethylene at a discount instead of at the 15% premium it could have commanded. That may be one reason Carbide licensees began to defect—Exxon to Japan's Mitsui, Chevron to British Petroleum and Phillips Petroleum.

Carbide's most attractive business is its industrial gas unit. Carbide is number one in the North American industrial gas business, with $2.4 billion in sales. But its market share has dropped to 28% from 32% just since 1986. Sighs Edgar Hotard, president of Carbide's industrial gas business, "It will be hard for us to gain back share."

While not ruling out anything that will increase Carbide's market value, Kennedy would clearly rather keep its assets intact. "Our strategy," he says, "is to be the leading company in the world in the products we make. We believe our returns over the product cycle will exceed our cost of capital and that we'll perform better than comparable companies. That hasn't been true the last 20 years, but we are much more focused today."

But suppose Kennedy does decide to dismember Carbide. What would the pieces bring? Anantha Raman, a veteran chemical industry analyst, figures the chemicals and plastics business alone would be worth $5 billion. He prices the industrial gases operation at $2.6 billion, and carbon products at $900 million. After allowances for debt and potential liabilities (excluding Bhopal), Raman figures Carbide would be worth about $4 billion, or $35 per share, double its current price of $16 a share. Mitsubishi and Carbide just announced a joint venture on Carbide's carbon products division. Rumored candidates to buy other pieces of Carbide include BP, Shell and Japan's Showa Denko.

Kennedy agrees that the company is severely undervalued. In October Carbide bought back 20 million shares at an average of $16 a share, reducing the outstanding shares to 124 million. Yet the buyback has done little to enhance the company's market value.

Union Carbide's executives thought they were preserving the company's independence when they saved it from Sam Heyman four years ago. It now looks as if they merely bought some time. ■

What with steady growth and a slug of new buyouts, privately owned enterprise is getting too big to ignore. Here are the country's 400 largest private companies.

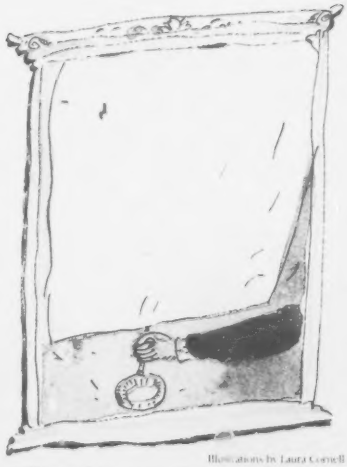
The very private sector

By Tina Russo McCarthy

RONALD PERELMAN and the financial entrepreneurs who would be like him have a lot to do with the big sales numbers on this, FORBES' sixth Private 400 list.

Perelman, whose travails as a financier turned company manager are told in the story beginning on page 218, converted Revlon Inc. from a public to a private company in 1987, by exchanging bonds and bank debt for Revlon's publicly traded stock. Revlon is now the largest part of MacAndrews & Forbes, number 13 on the table on page 226. All told, at least 120 of the 400 companies listed on the following pages are there because of leveraged buyouts that removed public shareholders from the picture. In many cases (Revlon is one), the formerly public company still has enough bonds outstanding to have to file financial reports with the Securities & Exchange Commission. But if the general public cannot get the stock, we treat the enterprise as privately owned.

Thanks in large part to those LBOs, the minimum sales needed for a private company to make the 400 largest list has climbed from $225 million when the list was created in 1985 to $475 million this year. Combined sales of the 400 this year are $609 billion, up from $592 billion last year. Employment is 4 million, up from 3.9 million.



Illustrations by Laura Cornell

We consider a company private if it has too few common shareholders to file with the SEC or, if it does file, its stock is not available to the general public. Most of the companies fall into the former category. United Parcel Service is an example of the latter: The stock is widely held, but only by employees. Shares of King Kullen Grocery and Charter Medical trade via brokers' "pink sheets," but shareholders are too scarce to force these firms to file with the SEC.

Our survey includes only firms that operate for profit. Charitable foundations (FORBES, *Nov. 26*) and government agencies are excluded. Also excluded are mutuals, cooperatives, joint ventures and companies 50% or more owned by another public or private corporation, unless those owners are passive investors. For example, Kohlberg Kravis Roberts holds large stakes in RJR Nabisco, Stop & Shop Cos. and Jim Walter, all listed here.

Foreign-owned firms are excluded from our survey of U.S. private companies. TLC Beatrice International Holdings does most of its business in Europe but is included because it is U.S.-owned and -headquartered.

With private companies it often takes digging beyond press releases and public statements to accurately gauge their revenues. ComputerLand publicizes a revenue figure of $2.6 billion. But this does not represent revenues for any single corporate entity; instead, it is the combined sales of independently owned retail stores. Even with liberal consolidation rules, the parent company's revenues would be only $123 million.

Such subtleties explain this year's sharp decline in revenues we report for Minneapolis-based Carlson Cos. Last year we accepted the company's figure of $5.3 billion in revenues. This year, alerted by an article in *Corporate Report Minnesota*, we adjusted the figure to allow for an anomaly in the way the company counts sales. The company's travel agencies treat the full cost of a trip as income, whereas standard accounting practice is to count only the agency's commission. This and other adjustments brought Carlson's estimated revenues down to $1.6 billion.

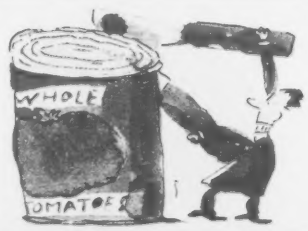
Except where noted, the revenue shown is for the most recent fiscal year. Some companies provided estimates, while other estimates were developed by FORBES and confirmed by outside sources.

Acknowledgments

We wish to thank the following sources that helped us gather data on private companies: *Accounting Today*, NYC; *Advertising Age*, NYC; *Atlanta Business Chronicle*, Atlanta; *Auto Age*, Van Nuys, Calif.; *Automotive News*, Detroit; *Business Atlanta*, Atlanta; *Business Journal of New Jersey*, Morganville; *Business Journal Sacramento*, Sacramento; *California Business*, Los Angeles; *Convenience Store News*, NYC; *Corporate Report Minnesota*, Minneapolis; *Colorado Business Magazine*, Englewood; *Crain's Chicago Business*, Chicago; *Crain's Cleveland Business*, Cleveland; *Crain's Detroit Business*, Detroit; *Crain's New York Business*, NYC; *Dallas Business Journal*, Dallas; FORBES magazine library, *Georgia Trend*, Atlanta; *ice Accutrack*, Baltimore; *ino Information Services*, NYC; *Inc.*, Boston; Perrin H. Long Jr., Lipper Analytical Services, NYC; *Los Angeles Business Journal*, Los Angeles; *Mergers & Acquisitions*, Philadelphia; *Alan Mottus*, Mottus & Associates, NYC; *Nation's Restaurant News*, NYC; *New England Business*, Boston; Nielsen Marketing Research, Northbrook, Ill.; *Ohio Business*, Cleveland; *Oregon Business*, Portland; Tom Pirko, Bevmark, Los Angeles; *Professional Builder*, Des Plaines, Ill.; *Progressive Grocer's Marketing Guidebook 1991*, Stamford, Conn.; *Public Accounting Report*, Minneapolis; *Puget Sound Business Journal*, Seattle; *Restaurants & Institutions*, Chicago; *San Francisco Business Times*, San Francisco; Sarty, NYC; Beni Steinman, *Beer Marketer's Insights*, NYC; *US Distribution Journal*, NYC; *Virginia Business*, Richmond; Frank Walters, M. Shanken Communications, NYC; *Washington Post*, Washington, D.C.

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
1	1	Cargill	Whitney MacMillan	$44,000e	55,000	intl marketer of agri & bulk commodities
2	2	Koch Industries	Charles Koch	17,190e	9,300	petroleum, natural gas, chemicals, minerals
3	5	Continental Grain	Donald L Staheli	14,850e	14,500	commodity trading & processing
4	3	•RJR Nabisco	Louis V Gerstner Jr	12,764	48,000	food products, tobacco
5	6	United Parcel Service	Kent Nelson	12,400	122,000	package delivery
6	8	•Southland	Jere W Thompson	8,352	35,604	convenience stores
7	7	Mars	Forrest E Mars Jr	7,500e	23,000	candy manufacturing, pet food, rice
8	28	American Financial	Carl H Lindner	7,286[1]	53,000	insurance, s&L, food prods, radio & tv
9	9	•RH Macy	Edward S Finkelstein	7,270	76,000	department stores
10	10	•Supermarkets General	Jack Sutterman	6,299	52,300	grocery stores, home improvement centers
11	11	•NWA	John Dasburg	6,100e	43,000	airline
12	15	Publix Super Markets	Howard M Jenkins	5,386	24,800	grocery stores



Leveraged buyout activity cooled off considerably this year. The largest LBO in 1990 was Prime Computer, a $1.1 billion J.H. Whitney & Co. deal. Other big ones: DiGiorgio, Del Monte Foods and Gulfstream Aerospace.

13	12	MacAndrews & Forbes Holdings	Ronald O Perelman	5,381	44,000	cosmetics, banking, finl svcs, recreation equip
14	16	•Montgomery Ward & Co	Bernard F Brennan	5,323	49,700	department stores
15	18	Bechtel Group	Riley P Bechtel	5,100	27,800	engineering & construction
16	21	Ernst & Young	Ray J Groves[2]	4,780e	63,271	accounting
17	22	KPMG	Jon C Madonna	4,750	75,000	accounting
18	23	ARA Services	Joseph Neubauer	4,600	131,000	food svcs, uniform rentals, child care svcs
19	31	Goldman, Sachs	Steven Friedman	4,600e	5,800	investment banking, securities brokerage
20	20	•Trans World Airlines	Carl C Icahn	4,507	33,000	airline
21	14	Peter Kiewit Sons	Walter Scott Jr	4,342[3]	23,100	construction, coal mining, packaging
22	24	•Hospital Corp of America	Thomas F Frist Jr	4,294	50,000	hospitals & health care facilities
23[4]	17	•Stop & Shop Cos	Lewis G Schaeneman Jr	4,280e	42,000	supermarkets, discount department stores
24	30	Arthur Andersen	Lawrence A Weinbach	4,160	56,000	accounting
25	34	Coopers & Lybrand	Peter R Scanlon	4,140e	67,000	accounting
26	29	Marmon Group	Robert A Pritzker	3,881	25,074	ind materials, auto & medical prods
27	36	Deloitte & Touche	J Michael Cook	3,700e	60,000	accounting
28	33	•Levi Strauss & Co	Robert D Haas	3,628	32,000	apparel
29	27	•Owens-Illinois	Joseph Lemieux	3,605	47,000	packaging
30	122	Dyson-Kissner-Moran	John A Moran	3,367	3,600	multicompany
31	26	•American Standard	Emmanuel A Kampouris	3,334	33,300	building materials
32	39	•Jack Eckerd	Stewart Turley	3,000	30,000	drug, optical & photo stores
33	64	SC Johnson Wax	Richard M Carpenter	3,000e	13,000	specialty chemicals, home care prods
34	98	JMB Realty	Neil Bluhm	2,977e	4,500	real estate
35	46	Price Waterhouse	Shaun F O'Malley[4]	2,940e	46,000	accounting
36	41	Advance Publications	SI Newhouse Jr	2,935e	19,500	communications

•Went private via leveraged buyout since 1985. e Estimate. [1]Includes revenues from United Brands. [2]William L Gladstone is co-chief executive. [3]Reflects recent divestitures. [4]Jeffrey H Bowman is co-chairman.

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
37	42	•Grand Union	Joseph J McCaig	$2,916	22,000	grocery stores
38	37	Lefrak Organization	Samuel J LeFrak	2,875e	18,000	real estate devel & mgmt, entertainment, oil
39	45	HEB Grocery	Charles C Butt	2,850e	10,000	grocery stores
40	49	H Group Holdings	Jay Pritzker	2,840e	55,195	hotels
41	59	Ingram Industries	E Bronson Ingram	2,640e[1]	4,600	consumer prods, inland marine trans, coal, oil
42	56	McLane	Drayton McLane Jr	2,622	4,200	food distributing
43	32	Anschutz	Philip F Anschutz	2,600e	23,255	railroads, oil, gas, real estate, mining
44	62	Metromedia	John W Kluge	2,530e	18,732	restaurants, telecommunications, investing
45	47	Riklis Family	Meshulam Riklis	2,508	39,600	variety & discount stores, mfg & distr apparel
46	51	Hallmark Cards	Irvine O Hockaday Jr	2,500	21,500	greeting cards & related prods
47	38	Milliken & Co	Roger Milliken	2,500e	14,000	textiles
48	52	Penske	Roger S Penske	2,500e	9,800	truck leasing, diesel mfg, auto dealerships
49	43	•Revco DS[2]	Boake A Sells	2,490	20,000	drug stores
50	44	Astroline	Fred Boling	2,400e	60	oil trading
51	63	•Alco Health Services	JF McNamara	2,297	2,400	pharmaceuticals & related prods
52	57	Meijer	Hendrik Meijer[3]	2,275e	12,078	department & grocery stores
53	55	•Borg-Warner	James F Bere	2,261	75,300	auto parts, security svcs
54	■	Hertz	Frank A Olson	2,253	18,000	vehicle & equip rental
55	54	Finevest Services	William R Berkley	2,250	14,000	food processing, insurance, health care svcs
56	48	Belk Brothers	John M Belk	2,200	30,000	department stores
57	53	•Burlington Industries	Frank S Greenberg	2,181	27,500	textiles
58	50	JM Family Enterprises	WM Donohoe	2,134	2,226	distrib Toyota vehicles & related prods
59	66	Hearst	Frank A Bennack Jr	2,095e	14,000	publishing, broadcasting
60	67	Estée Lauder Cos	Leonard Lauder	2,093	10,000	cosmetics

Among private household goods makers, S.C. Johnson Wax (Johnson waxes, Pledge, Glade Aerosol and Agree Shampoo) is the largest, with sales of $3 billion.

61	60	•Best Products	Jerry Goldress	2,090	7,000	general merchandise, jewelry stores
62	58	RAB Holdings	Richard A Bernstein	2,025	2,760	medical supp, health & beauty aids, finl svcs
63	78	George E Warren	Thomas L Corr	2,017	35	petroleum trading
64	68	•Payless Cashways	David Stanley	2,004	16,000	home improvement centers
65	71	Dominick's Finer Foods	Jim DiMatteo	2,000	7,500	grocery stores
66	75	Hy-Vee Food Stores	Ron Pearson	2,000	9,000	grocery, drug & convenience stores
67	69	Red Apple Group	John Andreas Catsimatidis	2,000	10,000	grocery & convenience strs, oil, gas stations
68	■	Yucaipa Cos	Ronald W Burkle	2,000e	10,045	grocery stores
69	72	Cox Enterprises	James C Kennedy	1,974	16,355	newspapers, broadcasting, cable tv, auto auctions
70	88	•Charter Medical	William A Fickling Jr	1,960e	15,000	hospital mgmt
71	84	DHL Worldwide Express	Patrick Foley	1,900e	20,000	international air express
72	82	Lincoln Property	A Mack Pogue	1,900	4,000	real estate development & mgmt
73	73	Steelcase	Frank H Merlotti	1,896	21,500	office furniture & systems

■Not on last year's list. •Went private via leveraged buyout since 1985. e Estimate. [1]Estimate for fiscal year ending December 1990. [2]In Chapter 11. [3]Doug Meijer is co-chairman.

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
74	76	Graybar Electric	Edward McGrath	$1,894e	4,800	electrical equip wholesaling
75	93	Hook-SupeRx	Philip E Beekman	1,870e	12,000	drug stores
76	77	•HealthTrust	R Clayton McWhorter	1,866e	23,000	hospitals
77	74	Giant Eagle	David S Shapira	1,850e	10,000	grocery stores
78	86	Amway	Jay Van Andel	1,842	7,500	household & personal care prods
79	97	Global Petroleum	Alfred A Slifka	1,786	450	petroleum wholesaling & retailing
80	79	Domino's Pizza	Thomas S Monaghan	1,778	100,000	pizza delivery & carryout
81	■	Phar-Mor	Michael I Monus	1,652	15,000	discount drug & variety stores
82	13	Carlson Cos	Edwin C Gage	1,648e	68,000	travel, hotels, resorts, restaurants, svcs
83	87	BeefAmerica	Joseph Amore	1,600	2,500	meatpacking
84	109	Hillman Co	Henry L Hillman	1,600	5,400	real estate, distrib office prods, investments
85	40	Farley	William Farley	1,550e	53,000	household fabrics, apparel, auto parts

JMB Realty shows $3 billion in revenues, versus $1.4 billion last year. Its 1989 acquisition of Panhandle Eastern's real estate development company contributed to the increase.

86	■	•Prime Computer	James F McDonald	1,520	10,670	computer systems
87	80	•Coltec Industries[1]	David I Margolis	1,517	13,300	aerospace, automotive, industrial equip
88	106	JR Simplot Co	Gordon Smith	1,500	9,100	food processing, fertilizer, livestock
89	99	Trump Organization	Donald J Trump	1,494e	25,000	hotels & casinos, real estate devel, airline
90	96	William Lyon Cos	William Lyon	1,492	1,004	home building, apartment & real estate devel
91	101	Schwan's Sales Enterprise	Marvin Schwan	1,485e	6,000	frozen foods
92	94	Helmsley Enterprises	Harry B Helmsley	1,480e	13,000	real estate brokerage, hotels
93	103	•Reliance Electric	John C Morley	1,411	13,000	industrial & telecomm equip
94	112	•York International	James T Dresher	1,409	10,100	air-conditioning, heating, refrig equip
95	95	Holiday Cos	Ronald A Erickson	1,400e	5,000	convenience stores, grocery wholesale
96	85	Sammons Enterprises	Robert W Korba	1,400	6,900	insurance, cable tv, industrial equip
97	132	Golodetz	Marc L Ginzberg	1,389	1,250	trading, agri, real estate, venture capital
98	■	•General Instrument	Donald H Rumsfeld	1,377	15,900	electronics
99	92	•Hillsborough Holdings[2]	Joe B Cordell	1,376	8,200	home bldg, natural resources, indust mfg
100	110	Oxbow	William Koch	1,370	300	energy, oil, real estate
101	91	Union Holdings	Anthony L Geller	1,360	2,549	food processing, meatpacking
102	115	Wegmans Food Markets	Robert B Wegman	1,357	6,261	grocery stores
103	119	Edward J DeBartolo	Edward J DeBartolo	1,350e	15,000	real est devel & mgmt, dept strs, racetrack
104	105	Polo Ralph Lauren	Ralph Lauren	1,350	3,000	apparel, home furnishings & accessories
105	102	Kohler	Herbert V Kohler Jr	1,349	14,796	plumb equip, engines, generators, furniture
106	125	Frank Consolidated Enterprises	Zollie S Frank	1,345e	1,950	auto dealerships & travel mgmt
107	108	Duracell Holdings	C Robert Kidder	1,335	8,000	consumer batteries & lighting prods
108	35	Cumberland Farms	Richard Jensen	1,330e	4,500	convenience stores, gas distributing
109	107	Gates	Charles C Gates	1,330	18,000	rubber & formed fiber prods, recharg batteries

■Not on last year's list. •Went private via leveraged buyout since 1985. e: Estimate. [1]Formerly Colt Industries. [2]In Chapter 11.

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
110	100	Dunavant Enterprises	William B Dunavant Jr	$1,300	2,200	intl & domestic cotton merchant
111	114	Southwire	Roy Richards Jr[1]	1,300	4,556	metal fabricating, wire & cable mfg
112	■	Stroh Brewery	William Henry	1,293e	3,732	beer
113	111	CNC Holding[2]	Jeffrey A Cole	1,282	14,500	specialty retailing
114	89	Delaware North Cos	Jeremy M Jacobs	1,279e	17,500	food svcs, pari-mutuels, typog
115	81	Trammell Crow	J McDonald Williams	1,275e	3,000	real estate develop, mgmt & investment
116	166	•MWC	Mel Whitmire	1,255	900	pharmaceutical wholesaling
117	121	A-Mark Financial	Steven C Markoff	1,250	25	precious metals
118	■	•Del Monte Foods	A Ewan Macdonald	1,230	4,700	food processing
119	165	Tauber Oil	OJ Tauber Jr	1,230	57	petroleum & petroleum marketing
120	151	Raley's	Thomas P Raley	1,225e	8,000	grocery & drug stores
121	61	Scoular Co	Marshall E Faith	1,203	500	grain storing & trading
122	145	Crowley Maritime	Thomas B Crowley	1,200	4,000	maritime transportation
123	90	Furr's	Jan Friederich	1,200e	10,729	grocery stores
124	190	Johnston Coca-Cola Bottling	Summerfield Johnston Jr	1,200e	5,500	soft drinks
125	■	Taubman Co	Robert S Taubman	1,195e	550	real estate development & mgmt
126	128	•Avis	Joseph V Vittoria	1,159	13,000	auto rental
127	■	•TLC Beatrice Intl Holdings	Reginald F Lewis	1,141	5,000	food processing & distributing
128	■	•DiGiorgio	Arthur M Goldberg	1,130	3,000	food distributing
129	155	Clark Enterprises	A James Clark	1,127	5,000	commercial construction, real estate
130	159	First American Bankshares	Jack W Beddow	1,127	6,100	bank holding
131	142	•Tops Markets	Savino P Nanula	1,125	4,296	grocery stores
132	127	Transammonia	Ronald P Stanton	1,124	190	trading fertilizers & petroleum prods
133	124	•Foodmaker	Jack W Goodall Jr	1,119	3,600	Jack in the Box, Chi-Chi's restaurants

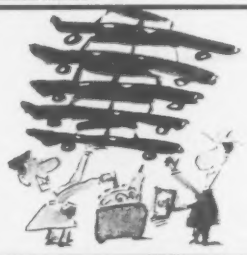
Owners of 71 of these companies also appear on The Forbes Four Hundred list of rich people. Among the private-company billionaires are Jay and Robert Pritzker of Marmon Group, Leonard Stern of Hartz Group and Henry Hillman of the Hillman Co.

134	160	Tishman Realty & Construction	John Tishman	1,110	700	construction mgmt & real estate
135	■	•IBC	Charles A Sullivan	1,105	14,000	mfg & distrib bakery prods
136	154	VT	Cecil Van Tuyl[3]	1,103	3,125	auto, aircraft & boat dealerships
137	117	•Cullum Cos	Jack W Evans	1,100	10,500	grocery & drug stores
138	169	DeMoulas Super Markets	TA DeMoulas	1,100	7,900	grocery stores
139	161	Epic Healthcare Group	Kenn S George	1,100e	11,000	hospitals
140	173	Food Services of America	Thomas J Stewart	1,100e	3,000	food distributor, insurance, real estate
141	130	Perdue Farms	Donald W Mabe	1,100	12,080	poultry processing
142	156	Thrifty Oil	Ted Orden	1,100e	1,275	petroleum, convenience stores
143	154	Gilbane Building	Paul J Choquette Jr	1,086	1,000	commercial & industrial construction
144	140	•Service America	Steven Leipsner	1,085	23,000	food service & vending
145	182	Fidelity Investments	Edward C Johnson 3d	1,083	7,000	mutual fund mgmt, discount brokerage
146	129	•Lear Siegler Seating	Kenneth Way	1,068	8,000	automobile seats

■Not on last year's list. •Went private via leveraged buyout since 1985. e: Estimate. [1]James Richards is co-president. [2]Formerly Cole National. [3]Larry Van Tuyl is co-chief executive.

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
147	120	•Leaseway Transportation	Richard A Damsel	$1,058	13,000	trucking, transportation & related svcs
148	123	Connell Limited Partnership	William F Connell	1,056	3,218	metal fabricating, industrial equip
149	170	•Essex Group	John M Bruce	1,056	3,800	wire, cable & electrical insulation
150	70	•Fort Howard	Donald H DeMeuse	1,053	5,453	paper prods
151	146	E&J Gallo Winery	Ernest Gallo	1,050e	3,000	wine
152	201	Potamkin Manhattan	Victor Potamkin	1,050	2,900	auto dealerships, communications
153	168	GLI Holding[1]	Fred G Currey	1,040	12,700	Greyhound bus lines
154	133	•Kash n' Karry Food Stores	Ronald J Floto	1,038	4,648	grocery stores
155	■	Peter J Schmitt Co	Charles B Barcelona	1,033	4,300	food wholesaling
156	163	•Pueblo International	Harold Toppel	1,028	4,200	grocery stores
157	157	Golden State Foods	James E Williams	1,026	1,700	food processing & distributing for McDonald's
158	153	Schnuck Markets	Craig D Schnuck	1,025e	5,500	grocery stores



Supersalesmen: Jordan Motors, Prospect Motors and Arnold Palmer Automotive show revenues per employee in excess of $1 million—mostly from auto fleet sales.

159	131	Gulf States Toyota	Jerry Pyle	1,022e	930	imports Toyota vehicles
160	185	Science Applications Intl	JR Beyster	1,022	12,000	research & development, systems integration
161	164	Schreiber Foods	Jack Meng	1,020e	2,300	food processing
162	210	•GAF	Samuel J Heyman	1,011	4,542	chemicals, building materials
163	152	Save Mart Supermarkets	Robert Piccinini	1,010	7,300	grocery stores
164	229	PMC	Philip Kamins	1,005	4,500	plastics, specialty chemicals, foam
165	126	•Wickes Lumber	William A Hensler	1,002	5,500	wholesaling & retailing building materials
166	143	Andersen	W Arvid Wellman	1,000	4,000	windows, patio doors
167	144	Chilewich Sons	Simon Chilewich	1,000e	850	commodity trading, cattle, meatpacking
168	104	Connell Co[2]	Grover Connell	1,000	200	heavy equip leasing, food export & import
169	141	Dillingham Construction	Donald K Stager	1,000	1,200	general contracting, construction mgmt
170	147	Grocers Supply Co	Milton Levit	1,000e	1,100	food wholesaling
171	■	•Gulfstream Aerospace	Allen E Paulson	1,000	4,500	aerospace
172	181	Hughes Markets	Roger K Hughes	1,000	5,000	dairy, grocery stores
173	139	•JP Foodservice	James Miller	1,000e	2,300	food distributing
174	149	Lennox International	John W Norris Jr	1,000	7,885	climate control equipment
175	192	Pacific Holding	David H Murdock	1,000e	22,000	real estate, textiles, natural resources
176	137	Sweet Life Foods	Julian Leavitt	1,000	3,000	food wholesaling
177	234	Huntsman Chemical	Jon M Huntsman	985	1,673	chemicals
178	83	John Alden Financial	Glendon E Johnson	969	2,067	insurance
179	158	•LaSalle Energy	Alvin V Shoemaker	963	1,550	natural gas pipeline
180	■	•Chicago North Western Transport	Robert Schmiege	955	8,000	railroad
181	118	Restaurant Enterprises Group	Norman N Habermann	954	23,647	restaurants
182	171	Amerco	Edward J Shoen	951	13,600	U-Haul vehicle rental

■Not on last year's list. •Went private via leveraged buyout since 1985. e: Estimate. [1]In Chapter 11. [2]Formerly Connell Rice & Sugar.

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
183	174	Golub	Lewis Golub	$950	5,000	grocery stores
184	148	•Guardian Industries	William Davidson	950	6,800	flat glass, fiberglass insulation, plastics
185	175	Metallurg	Michael A Standen	950	3,500	metals mining
186	177	Randall's Food Markets	Robert R Onstead	950	2,991	grocery stores
187	178	Eby-Brown Cos	Richard Wake[1]	940	987	candy, tobacco, food & merchandise distrib
188	184	Merchants Distributors	Boyd George	940	3,000	food wholesaling
189	292	SnyderGeneral	Richard W Snyder	931	7,500	air quality control equip
190	206	Brookshire Grocery	Bruce G Brookshire	928e	3,500	grocery stores
191	167	•Levitz Furniture	Robert M Elliott	925	6,711	furniture retailing
192	233	Morse Operations	EJ Morse	916	1,159	auto dealerships
193	172	•Woodward & Lothrop/John Wannamaker	Arnold H Aronson	913	15,000	retailing
194	180	•Kendall Co	RA Gilleland	907	10,000	health care prods

Safeway Inc. had a brief sojourn on the private companies list. KKR took it private in 1986 and then took it public again in April of this year.

195	162	Hartz Group	Leonard Stern	900e	4,000	pet food, real estate, publishing
196	212	Young & Rubicam	Alexander Kroll	900	12,000	advertising, communications
197	275	Oppenheimer Group	Stephen Robert	894	2,800	brokerage, investment banking
198	191	Jordan Co	John W Jordan II	893	9,450	multicompany
199	244	Enterprise Rent-A-Car	Jack Taylor	889	5,241	auto rental & leasing
200	179	•Amsted Industries	Gordon Lohman	883	8,100	RR & industrial equip, bldg materials
201	■	Border Fuel Supply	William Arrington	882	93	petroleum wholesaling
202	227	C&S Wholesale Grocers	Richard B Cohen	880	762	wholesale grocery distributing
203	232	•Parsons	Leonard J Pieroni	879	8,000	engineering, design & construction
204	■	•Earle M Jorgensen Holding	Neven Hulsey	876	3,000	steel prods distributing
205	213	•Super Rite Foods	Alex Grass	876	2,400	grocery stores
206	138	Maritz	William E Maritz	875e	5,500	marketing research & business svcs
207	■	•Sweetheart Holdings	Philip White	858	8,000	paper prods
208	267	Schottenstein Stores	Jerome Schottenstein	850e	12,500	department & furniture stores
209	198	•JPS Textile Group	William J DeBrule	845e	8,783	carpet, elastics, yarn, industrial fabrics
210	197	Holman Enterprises	Joseph S Holman	845	2,179	auto dealerships, parts remanufacturing
211	200	•Harvard Industries	William D Hurley	835	8,850	auto & aerospace equip
212	209	Young's Market	Vernon O Underwood Jr	833	1,200	food & liquor wholesaling
213	204	AppleTree Markets	Arthur L Patch	823	2,324	grocery stores
214	295	JM Petroleum	James C Musselman	816	180	wholesale petroleum, trucking
215	202	•Uniroyal Chemical	Robert J Mazaika	815e	2,800	chemicals & polymers
216	320	Schal Associates	Richard C Halpern	815e	400	construction
217	176	MorningStar Foods	James A Bach	809	4,000	dairy & food processing
218	136	Simpson Investment	William G Reed Jr	800e	2,500	lumber, logging, plywood doors

■Not on last year's list. •Went private via leveraged buyout since 1985. e: Estimate. [1]Thomas Wake is co-president.

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
219	240	Wilbur-Ellis	Brayton Wilbur	$800	1,600	distributing farm supplies & chemicals
220	214	Crown American	Frank J Pasquerilla	788	16,000	department stores, malls, real estate, hotels
221	219	Oklahoma Publishing	Edward L Gaylord	788e	9,000	publishing, broadcasting, entertainment
222	222	Bath Iron Works	William E Haggett	787	11,494	shipbuilding
223	270	Continental Cablevision	Amos B Hostetter Jr	780	7,500	cable broadcasting
224	186	American Protection Industries	Stewart Resnick	778e	4,900	TeleFlora, Franklin Mint
225	135	21 International Holdings[1]	Marshall S Cogan	778e	15,600	automotive parts, home furnishings
226	189	Gillett Holdings	George N Gillett Jr	774	2,118	broadcasting, meatpacking, resorts
227	205	Hunt Corp	Robert C Hunt	774	2,450	general contractor, construction manager
228	224	Johnson & Higgins	Robert V Hatcher Jr	772e	7,800	insurance brokerage, risk mgmt consultant
229	215	•Insilco	Joel L Reed	762	7,300	metal fab, electronics, commun, paints
230	188	84 Lumber	Joseph A Hardy Sr	757	2,700	building materials
231	225	•Kohl's Department Stores	William Kellogg	753	10,000	department stores
232	241	United Van Lines	Maurice Greenblatt	751	950	moving services
233	246	Homeland Stores	Max E Raydon	750	6,700	grocery stores
234	266	JM Huber	George Schenk	750	4,200	natural resources, electronics
235	230	•Pullman	William Turner	750	7,400	transportation equip, auto parts
236	217	•International Controls	David R Markin	744	4,150	truck trailer mfg, auto stamping, insurance
237	195	Hunt Consolidated/Hunt Oil	Ray L Hunt	743e	2,500	oil & gas exploration & refining, marketing
238	290	Jitney-Jungle Stores of America	WH Holman Jr	740	8,000	grocery stores
239	247	Roseburg Forest Products	John J Stephens	738	4,825	forest prods
240	■	HMK Enterprises	Steven E Karol	730	3,377	office furniture, floor covering, steel mfg
241	304	Horsehead Industries	William E Flaherty	728	3,000	zinc, carbon, graphite, environmental svcs
242	239	TRC	Donald N Smith	726	7,400	Friendly's & Perkins Family Restaurants

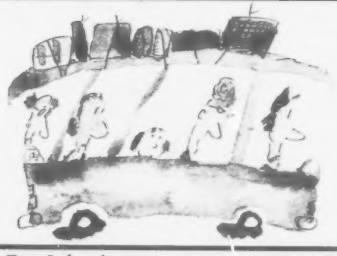
The 13 textile and apparel companies on our private company list have combined revenues of $15 billion. Largest: Levi Strauss, with $3.6 billion.

243	187	Duchossois Industries	Richard L Duchossois	725e	9,000	railroad equip
244	347	Little Caesar Enterprises	Michael Ilitch	725e	11,000	pizza restaurants, sports arenas, pro sports
245	231	Rich Products	Robert E Rich Jr	725	6,000	frozen foods, pro sports, broadcasting
246	228	WWF Paper	Edward V Furlong Jr	724	530	fine-paper distributing
247	258	Gordon Food Service	Paul Gordon	720e	1,600	food distributing
248	■	Horwath International	Robert N Levine	720	12,400	accounting
249	243	Cone Mills	Dewey L Trogdon	715	8,874	textiles
250	203	•Arkansas Best	Robert A Young III	714	9,753	trucking
251	208	•Farm Fresh	Michael E Julian	710	3,300	grocery stores
252	333	Abco Markets	Edward G Hill	708	1,861	grocery stores
253	235	•Ampex	Ronald J Ritchie	708	6,200	tv, broadcast equip, magnetic tape
254	220	Shapell Industries	Nathan Shappell	707	425	land developing, construction
255	251	Sealy[2]	Malcolm Candlish	702e	5,500	mattresses, waterbeds, sofabeds

■Not on last year's list. •Went private via leveraged buyout since 1985. e: Estimate. [1]Formerly Knoll International. [2]Formerly Ohio Mattress.

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
256	256	Coca-Cola Bottling of Chicago	Marvin J Herb	$702e	3,500	soft drinks
257	312	Schneider National	Donald J Schneider	701	8,500	trucking
258	237	Harbert	Raymond J Harbert	700	3,000	commercial construct, real estate devel, oil & gas
259	238	•National Car Rental	Vincent A Wasik	700e	8,700	auto leasing & rental
260	271	Watt Industries	Raymond A Watt	700	600	real estate development & management
261	293	•White Swan	Ronald E Elmquist	700	1,700	food wholesaling
262	242	•S&A Restaurant	Donald J Slater	697	4,500	restaurants
263	226	Exide	Arthur Hawkins	695	5,500	auto & industrial batteries
264	286	•Musicland Group	Jack W Eugster	695	6,800	specialty music stores
265	263	•Big V Supermarkets	David G Bronstein	690e	1,634	grocery stores
266	278	Towers, Perrin	John T Lynch	685	5,000	consulting, reinsurance
267	355	HB Zachry	H Bartell Zachry Jr	685	10,000	general contracting



Three companies on this list are paying a severe price for their LBO debt: Revco, GLI Holding (Greyhound) and Hillsborough Holdings are in Chapter 11. Southland, which runs 7-Eleven, is scheduled to have a bankruptcy hearing in mid-December.

268	260	Tang Industries	Cyrus Tang	683e	3,500	metal fabricating & distributing
269	253	Andersons	Richard P Anderson	680	892	agribusiness, consumer prods
270	264	Drummond Co	Garry N Drummond	676	3,250	coal
271	279	•Mayflower Group	Michael L Smith	676	2,400	moving svcs, bus transportation
272	248	King Kullen Grocery	John B Cullen	675e	2,300	grocery stores
273	334	•Budget Rent a Car	Clifton E Haley	673	7,000	auto & truck leasing
274	390	Prospect Motors	William Halvorson	671	76	auto dealerships, fleet sales
275	252	Brenlin Group	David L Brennan	665	4,200	metal fabricating, steel
276	377	•Catalyst Energy	Tom B Pickens III	665e	1,330	alternative producer of elec & steam energy
277	269	B Green & Co	Bernard Green	665	1,843	food wholesaling, grocery stores
278	373	HCB Contractors	Lawrence A Wilson	664	500	general contracting, construction mgmt
279	■	Charles Pankow Builders	Charles Pankow	656	178	general contracting, construction
280	273	Worldmark	Dean Rhoads	655	1,600	bldg materials, intermediate aluminum prods
281	236	ClubCorp International	Robert H Dedman	654	15,000	athletic & city clubs, resorts, s&L
282	■	AmeriServ	Lenny Pippin	650e	615	food distributing
283	254	Arcata Graphics	Edward L Scarff	650e	7,564	book & magazine printing
284	322	•AutoZone	JR Hyde III	650	7,200	auto parts stores
285	255	Braman Enterprises	Norman Braman	650	825	auto dealerships
286	314	Chase Enterprises	David T Chase	650	5,500	real estate, commun, banking, insurance
287	257	Flying J	O Jay Call	650	3,500	integrated petroleum
288	380	Koll	Donald M Koll	650	1,050	real estate development
289	259	•Mayfair Supermarkets	Stanley P Kaufelt	650	5,300	grocery stores
290	282	McCarthy	Michael M McCarthy	650	650	general contracting, construction mgmt
291	291	McKinsey & Co	Frederick W Gluck	650e	4,000	consulting

■Not on last year's list •Went private via leveraged buyout since 1985 e: Estimate

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
292	283	Minyard Food Stores	Liz Minyard[1]	$650	5,600	grocery stores
293	265	Encyclopaedia Britannica	Robert P Gwinn	649	2,300	reference books, educational svcs
294	249	•AFG Industries	RD Hubbard	648	4,825	flat glass manufacturing
295	311	•DynCorp	Dan Bannister	646	18,000	technical & aviation svcs
296	223	•Tracor	William C Moyer	646e	8,112	defense electronics, engineering
297	297	•Bell & Howell	William J White	641	5,966	publishing, info systems, mail handling equip
298	211	•Lechmere	C George Scala	639	3,500	discount stores
299	274	Inland Group	Daniel I. Goodwin	631	1,200	brokerage & management, investments
300	■	•LPL Technologies	Lawrence J DeGeorge	631	7,338	electronics
301	272	•Ethan Allen	M Farooq Kathwari	630	9,000	furniture, accessories, rugs
302	250	•New Hampshire Oak	Michael D Dingman	630e	3,700	specialty chemicals & auto prods
303	221	•Horace Mann Educators	Paul J Kardos	630	822	insurance
304	■	•Jerrico	Clinton A Clark	627	17,000	Long John Silver restaurants
305	296	Hendrick Management	JR Hendrick III	627	1,550	auto dealerships, sportswear, motorsports
306	305	GSC Enterprises	Michael K McKenzie	623	1,400	food wholesaling
307	■	International Data Group	Patrick J McGovern	620e	3,812	information technology svcs
308	280	Marley	Robert J Dineen	620	4,700	cooling towers, boilers, pumps
309	294	Battelle Memorial Institute	Douglas E Olesen	615	7,477	research & development
310	289	WL Gore & Associates	Robert W Gore	615e	5,200	Gore-Tex fabrics, electronics, ind & med prods
311	318	North Pacific Lumber	TJ Tomjack	610	380	forest, agriculture & steel prods wholesaling
312	216	Associated Metals & Min	Stefan E Eliel	600	201	steel & metal trading
313	298	LL Bean	Leon A Gorman	600	3,200	outdoor sporting goods retailing & marketing
314	261	•Jim Walter	Dennis M Ross	600	3,000	building materials, water transmission
315	351	Warren Equities	Warren Alpert	600	1,800	petroleum prods, convenience stores

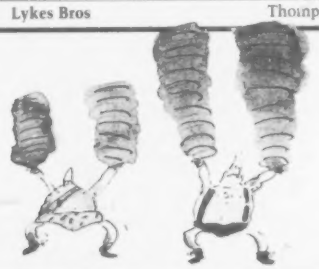
The 33 private supermarket chains on this list own more than 3,200 stores and have combined revenues of $50 billion.

316	313	American Foods Group	Carl Kuehne	596	1,592	meatpacking
317	276	•Edgcomb	Bernard Serin	596	1,650	steel service centers
318	337	Racetrac Petroleum	Carl Bolch Jr	594	2,148	convenience stores, gasoline retailing
319	300	Barton-Malow Enterprises	Ben C Maibach III	586	1,200	construction mgmt, general contracting
320	336	MA Mortenson	MA Mortenson Jr	581	1,590	general contracting, construct mgr, design
321	■	Jordache Enterprises	J Nakash	580	3,000	apparel
322	■	Georgetown Industries	Roger R Regelbrugge	579	2,977	building materials
323	218	•Lear Siegler	William J Turner	575	6,000	industrial equip, materials handling
324	310	UIS	Harry Lebensfeld	573	6,300	auto parts
325	302	MediaNews Group	W Dean Singleton	572e	5,997	newspapers
326	■	•Silgan	R Phillip Silver	571	3,650	steel, aluminum & plastic containers
327	326	Coca-Cola Bottling Co of NY	James Maloney	567e	3,000	soft drink bottling
328	284	Hensel Phelps Construction[2]	Jerry L Morgensen	564	2,200	commercial construction

■Not on last year's list. •Went private via leveraged buyout since 1985. e: Estimate. [1]Gretchen Minyard is co-chairperson. [2]Formerly Phelps Construction.

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
329	330	•Joy Technologies	Marc F Wray	$563	4,200	mining & industrial equipment
330	327	Coulter Electronics	Wallace H Coulter	562e	4,800	medical & electronic equipment
331	321	•Morse Shoe	Manuel Rosenberg	562	5,400	shoes
332	■	Jordan Motors	Jordan Kapson	561	150	auto dealerships
333	281	ICC Industries	John J Farber	556	1,200	chemicals
334	369	Humiston-Keeling	Burton H Olin	552	191	wholesale drug distributing
335	343	Asplundh Tree Expert	Edward K Asplundh	550	14,000	tree trimming for elec utilities
336	287	Bartlett & Co	Paul D Bartlett Jr	550	525	grain, flour, cattle feeding
337	■	Crawford Fittings	FJ Callahan	550e	255	valves, pipe fittings
338	285	Irvine Co	Donald Bren	550	350	real estate development
339	359	Menasha	WH Drew	545	4,000	packaging, printing, plastics, forest prods
340	301	Lykes Bros	Thompson L Rankin	545e	3,000	food processing, insurance



Combined revenues of these 400 companies: $609 billion. Combined revenues of the 400 largest public companies: $3.1 trillion.

341	332	Rock-Tenn	A Worley Brown	542e	4,500	paperboard & packaging prods
342	363	Lusk Co	John D Lusk	541	833	residential construction
343	342	Aarque Cos	R Quintus Anderson	540e	2,700	metal fabricating
344	345	Chemcentral	H Daniel Wenstrup	540	775	chemical distributing
345	393	DiFeo Automotive Network	Sam DiFeo	537	1,208	auto dealerships
346	340	Georgia Crown Distributing	Donald M Leebern Jr	535e	600	beverage distributing
347	309	Hall-Mark Electronics	Joseph W Semmer	535	1,200	electronic components, computer systems
348	324	•Florida Steel	Edward Flom	535	2,300	steel manufacturing & marketing
349	■	Topa Equities Ltd	John E Anderson	530	1,425	insurance, financial svcs, beverage distrib
350	339	Alling & Cory	Samuel T Hubbard Jr	528	1,150	paper, packaging & business prods
351	338	Walton Monroe Mills	G Stephen Felker	528	5,000	textiles
352	325	CC Industries	Neele E Stearns	525	6,025	home furnishings, paper, real estate devel
353	■	MTD Products	Curtis E Moll	525e	5,000	outdoor power equipment
354	319	Placid Oil	Walter Fraker	525e	750	oil & gas exploration
355	353	Wheaton Inds	Robert I Veghte	525e	10,000	glass & plastic containers
356	362	•Envirodyne Industries	Donald P Kelly	523	4,800	sausage casings, plastics
357	368	Day & Zimmermann	Harold L Yoh Jr	523	12,300	engineering, consult, bus svcs, real est
358	346	Lewis Homes Group	Richard A Lewis	522e	950	home building, real estate development
359	372	Wawa	Richard D Wood Jr	521	2,100	convenience stores
360	357	Halstead Industries	William B Halstead	519e	2,400	copper tubing
361	262	•Warnaco	Linda J Wachner	516	10,600	apparel
362	335	Dr Pepper/Seven-Up Cos	John R Albers	514	868	soft drinks
363	341	•PIE Nationwide	Gerald McIntyre	513	7,800	trucking
364	394	Alamo Rent A Car	Michael S Egan	510	4,000	car rental

■Not on last year's list •Went private via leveraged buyout since 1985 e: Estimate

The 400 Largest Private Companies in the U.S.

Rank this year	Rank last year	Company	Chief executive	Revenues ($mil)	Employees	Business
365	■	WB Johnson Properties	William B Johnson	$510	10,000	Ritz Carlton hotels, restaurants
366	356	Esstar	Robert A Haversat Sr	506	4,000	building materials, electric tools
367	361	Ruffin Cos	Phil G Ruffin	503	800	petrol trading, convenience strs, handtrucks
368	■	Arcadian	R James Komeaux	500	1,150	fertilizers & industrial chemicals
369	344	Bacardi Imports	Juan Grau	500	280	distilled spirits & wine
370	384	Booz, Allen & Hamilton	R Michael McCullough	500	4,100	management & technology consulting
371	■	•Elder-Beerman Stores	Max Gutmann	500e	8,086	department stores
372	■	Guess ?	Georges Marciano	500	1,300	apparel
373	■	Haggar Apparel	JM Haggar Jr	500e	7,000	apparel
374	386	Haworth	Richard G Haworth	500e	3,600	office furniture
375	348	Mennen	L Donald Horne	500	3,000	personal care prods
376	■	Morse Diesel International	Donald H Piser	500	550	construction, consulting

Private entertainment: The more than 600 record and video stores owned by Minneapolis-based Musicland Group produce revenues of $695 million.

377	■	Parsons & Whittemore	Arthur Schwartz	500	1,500	pulp & paper
378	■	S&P Co	Lutz Isslieb	500e	3,000	Pabst, Falstaff & Pearl beers, real estate
379	■	•Sunshine Biscuits	Wilfred Uytengsu	500	3,500	biscuits
380	■	Titan Industrial	Michael S Levin	500	300	steel marketing
381	■	Treasure Chest Advertising	Sanford G Scheller	500	3,200	printing circulars
382	352	Washington Corp	Dennis Washington	500	3,300	heavy construct, mining, public utilities
383	306	Whiting-Turner Contracting	W Hackerman	500	1,250	general contracting & construction manager
384	■	Sverdrup	Brice R Smith Jr	498	5,100	engineering, architec, construct, aero, real est
385	■	Dillard Paper	Geoffry A Clark	495	1,750	wholesaling paper & plastic prods
386	378	Austin Industries	William T Solomon	493	6,000	general contracting, construct, engineering
387	■	Pepper Cos	Richard S Pepper	492	1,200	general contractors
388	■	Arnold Palmer Automotive Group	James O'Neal Jr	491	357	auto dealerships, fleet sales
389	■	Sierra Pacific Industries	AA Emmerson	490	2,500	lumber
390	■	QuikTrip	Chester Cadieux	489	1,921	convenience stores, retail gasoline
391	307	McLouth Steel	Edward L Sambuchi	487	2,200	steel
392	■	Leo Burnett	Hall Adams Jr	487	5,675	advertising
393	366	Rosenthal Cos	Robert M Rosenthal	486	1,306	auto dealerships
394	■	Walbridge, Aldinger	John Rakolta Jr	486	750	general contracting, construct & program mgmt
395	371	United Co	James W McGlothlin	485	1,175	coal, oil, gas, real estate, financial svcs
396	■	Freedom Newspapers	DR Segal	483e	5,200	publishing, tv
397	364	ER Carpenter	Stanley F Pauley	480	7,800	polyurethane foam
398	■	Rugby-Darby Group Cos	Michael Ashkin	480e	2,200	generic drugs
399	■	McJunkin	HB Wehrle III	479	1,200	distrib piping, electrical equip
400	358	•Bibb	Thomas C Foley	475	7,100	home furnishings

■Not on last year's list •Went private via leveraged buyout since 1985 e: Estimate

Where to Find the 400 Largest U.S. Private Companies

The alphabetical listing below cross-references the sales ranking that begins on page 226. For those companies taken private since 1985, we give the year of the transaction.

Company	Rank
A-Mark Financial 100 Wilshire Boulevard Santa Monica, CA 90401 213-319-0200	117
Abco Markets 3001 West Indian School Road Phoenix, AZ 85017 602-222-1600	252
AFG Industries (1988) 301 Commerce Street, Suite 3300 Fort Worth, TX 76102 817-332-5006	294
ARA Services The ARA Tower, 1101 Market Street Philadelphia, PA 19107 215-238-3000	18
Aarque Cos PO Box 310 Jamestown, NY 14701 716-664-6014	343
Advance Publications 950 Fingerboard Road Staten Island, NY 10305 718-981-1234	36
Alamo Rent A Car PO Box 2276, 110 SE 6th Street Fort Lauderdale, FL 33335 305-522-0000	364
Alco Health Services (1989) PO Box 959 Valley Forge, PA 19482 215-296-4480	51
John Alden Financial 7300 Corporate Center Drive Miami, FL 33126 305-470-3100	178
Alling & Cory 25 Verona Street Rochester, NY 14608 716-454-1880	350
Amerco 1325 Airmotive Way, Suite 170 Reno, NV 89502 702-786-0488	182
AmeriServ 13355 Noel Road, Suite 2225 Dallas, TX 75240 214-385-8595	282
American Financial One East 4th Street Cincinnati, OH 45202 513-579-2121	8
American Foods Group 544 Acme Street Green Bay, WI 54308 414-437-6330	316
American Protection Industries 12233 W Olympic Blvd, Suite 380 Los Angeles, CA 90064 213-442-5700	224
American Standard (1988) 1114 Sixth Avenue, 19th Floor New York, NY 10036 212-703-5100	31
Ampex (1987) 401 Broadway Redwood City, CA 94063 415-367-4150	253
Amsted Industries (1986) 205 North Michigan Avenue Chicago, IL 60601 312-645-1700	200
Amway 7575 East Fulton Road Ada, MI 49355 616-676-6000	78
Andersen 100 Fourth Avenue North Bayport, MN 55003 612-439-5150	166
Arthur Andersen 1345 Sixth Avenue New York, NY 10105 212-708-4000	24
Andersons 1200 Dussel Drive Maumee, OH 43537 419-893-5050	269
Anschutz 555 17th Street, Suite 2400 Denver, CO 80202 303-298-1000	43
AppleTree Markets 4301 Windfern Lane Houston, TX 77041 713-460-5000	213

Where to Find the 400 Largest U.S. Private Companies

Company	Rank
Arcadian 6750 Poplar Avenue, Suite 600 Memphis, TN 38138 901-758-5200	368
Arcata Graphics 601 California Street, Suite 1800 San Francisco, CA 94108 415-781-4200	283
Arkansas Best (1988) 1000 South 21st Street Fort Smith, AR 72901 501-785-6000	250
Asplundh Tree Expert Blair Mill Road Willow Grove, PA 19090 215-784-4200	335
Associated Metals & Minerals Three North Corporate Park Drive White Plains, NY 10604 914-251-5400	312
Astroline 95 Walkers Brook Drive Reading, MA 01867 617-942-1600	50
Austin Industries PO Box 1590 Dallas, TX 75221 214-630-5100	386
AutoZone (1988) 3030 Poplar Avenue Memphis, TN 38111 901-325-4600	284
Avis (1986) 900 Old Country Road Garden City, NY 11530 516-222-3000	126
Bacardi Imports 2100 Biscayne Boulevard Miami, FL 33137 305-573-8511	369
Bartlett & Co 4800 Main Street, Suite 600 Kansas City, MO 64112 816-753-6300	336
Barton-Malow Enterprises 27777 Franklin Road, Suite 800 Southfield, MI 48034 313-351-4500	319
Bath Iron Works 700 Washington Street Bath, ME 04530 207-443-3311	222
Battelle Memorial Institute 505 King Avenue Columbus, OH 43201 614-424-6424	309
LL Bean Casco Street Freeport, ME 04033 207-865-4761	313
Bechtel Group PO Box 193965 San Francisco, CA 94119 415-768-1234	15
BeefAmerica 5600 Harry Anderson Avenue Omaha, NE 68137 402-397-2000	83
Belk Brothers 2801 West Tyvola Road Charlotte, NC 28217 704-357-1000	56
Bell & Howell (1988) 5215 Old Orchard Road Skokie, IL 60077 708-470-7100	297
Best Products (1988) PO Box 26303 Richmond VA 23260 804-261-2000	61
Bibb (1985) 237 Coliseum Drive Macon, GA 31208 912-752-6700	400
Big V Supermarkets (1987) 176 North Main Street Florida, NY 10921 914-651-4411	265
Booz, Allen & Hamilton 101 Park Avenue New York, NY 10178 212-697-1900	370
Border Fuel Supply 6400 S Fiddler's Green Circle, Suite 800 Engelwood, CO 80111 303-770-1600	201
Borg-Warner (1987) 200 South Michigan Avenue Chicago, IL 60604 312-322-8500	53
Braman Enterprises 2800 Biscayne Boulevard Miami, FL 33137 305-576-2051	285
Brenlin Group 670 West Market Street Akron, OH 44303 216-762-2420	275
Brookshire Grocery PO Box 1411 Tyler, TX 75710 214-534-3000	190
Budget Rent a Car (1989) 200 North Michigan Avenue Chicago, IL 60601 312-580-5000	273
Burlington Industries (1987) 3330 West Friendly Avenue Greensboro, NC 27410 919-379-2000	57
Leo Burnett 35 West Wacker Drive Chicago, IL 60601 312-220-5959	392
C&S Wholesale Grocers Old Ferry Road Brattleboro, VT 05301 802-257-4371	202
CC Industries 222 North LaSalle Street Chicago, IL 60601 312-855-4000	352
CNC Holding 5915 Landerbrook Drive Cleveland, OH 44124 216-449-4100	113
Cargill PO Box 9300 Minneapolis, MN 55440 612-475-7575	1
Carlson Coe Carlson Parkway, PO Box 59159 Minneapolis, MN 55459 612-540-5000	82
ER Carpenter PO Box 27205 Richmond, VA 23261 804-359-0800	397
Catalyst Energy (1988) 245 Park Avenue, 35th Floor New York, NY 10167 212-826-8600	276
Charter Medical (1988) 577 Mulberry Street Macon, GA 31298 912-742-1161	70
Chase Enterprises One Commercial Plaza Hartford, CT 06103 203-549-1674	286
Chemcentral 7050 West 71st Street Chicago, IL 60638 312-594-7000	344
Chicago North Western Trans (1989) One North Western Center Chicago, IL 60606 312-993-1952	180

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Company	Rank
Chilewich Sons 12 Water Street White Plains, NY 10601 914-997-2000	167
Clark Enterprises 7500 Old Georgetown Road Bethesda, MD 20814 301-657-7100	129
ClubCorp International 3030 LBJ Freeway Dallas, TX 75234 214-243-6191	281
Coca-Cola Bottling Co of Chicago 7400 North Oak Park Avenue Chicago, IL 60648 312-775-0900	25
Coca-Cola Bottling Co of NY 20 Horseneck Lane Greenwich, CT 06830 203-625-4000	327
Coltec Industries (1988) 430 Park Avenue New York, NY 10022 212-940-0400	87
Cone Mills 1201 Maple Street Greensboro, NC 27405 919-379-6220	249
Connell Co 45 Cardinal Drive Westfield, NJ 07090 201-233-0700	168
Connell Limited Partnership One International Place, 31st Floor Boston, MA 02110 617-737-2700	148
Continental Cablevision The Pilot House, Lewis Wharf Boston, MA 02110 617-742-9500	223
Continental Grain 277 Park Avenue New York, NY 10172 212-207-5100	3
Coopers & Lybrand 1301 Sixth Avenue New York, NY 10020 212-536-2000	25
Coulter Electronics 600 Coulter Way Hialeah, FL 33010 305-885-0131	330
Cox Enterprises PO Box 105357 Atlanta, GA 30348 404-843-5123	69
Crawford Fittings 2955 Solon Road Solon, OH 44139 216-248-4600	337
Crowley Maritime 155 Grand Avenue Oakland, CA 94612 415-251-7500	122
Crown American Pasquerilla Plaza Johnstown, PA 15907 814-536-4441	220
Cullum Cos (1988) 14303 Inwood Road Dallas, TX 75244 214-661-9700	137
Cumberland Farms 777 Dedham Street Canton, MA 02021 617-828-4900	108
DHL Worldwide Express 333 Twin Dolphin Drive Redwood City, CA 94065 415-593-7474	71
Day & Zimmermann 1818 Market Street Philadelphia PA 19103 215-299-8000	357
Edward J DeBartolo 7620 Market Street Youngstown, OH 44512 216-758-7292	103
DeMoulas Super Markets 875 East Street Tewksbury, MA 01876 508-851-7381	138
Del Monte Foods (1990) One Market Plaza San Francisco, CA 94105 415-442-4000	118
Delaware North Cos One Delaware North Place Buffalo, NY 14202 716-858-5000	114
Deloitte & Touche 10 Westport Road Wilton, CT 06897 203-761-3000	27
DiFeo Automotive Network 947 Communipaw Avenue Jersey City, NJ 07304 201-451-3111	345
DiGiorgio (1990) Two Executive Drive Somerset, NJ 08873 908-469-4444	128
Dillard Paper PO Box 21767 Greensboro, NC 27420 919-299-1211	385
Dillingham Construction 5960 Inglewood Drive Pleasanton, CA 94588 415-463-3300	169
Dr Pepper/Seven-Up Cos 8144 Walnut Hill Lane Dallas, TX 75231 214-360-7000	362
Dominick's Finer Foods 505 Railroad Avenue Northlake, IL 60164 708-562-1000	65
Domino's Pizza 30 Frank Lloyd Wright Drive Ann Arbor, MI 48106 313-930-3030	80
Drummond Co PO Box 1549 Jasper, AL 35501 205-387-0501	270
Duchossois Industries 845 Larch Avenue Elmhurst, IL 60126 708-279-3600	243
Dunavant Enterprises PO Box 443 Memphis, TN 38101 901-369-1500	110
Duracell Holdings Berkshire Industrial Park Bethel, CT 06801 203-796-4000	107
DynCorp (1988) 2000 Edmund Halley Drive Reston, VA 22091 703-264-0330	295
Dyson-Kissner-Moran 230 Park Avenue New York, NY 10169 212-661-4600	30
Eby-Brown Cos 1001 Sullivan Road Aurora, IL 60507 708-897-8674	187
Jack Eckerd (1986) PO Box 4689 Clearwater, FL 34618 813-397-7461	32
Edgcomb (1989) 555 State Road Bensalem, PA 19020 215-245-3361	317

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Company	Rank
84 Lumber PO Box 8484 Eighty Four, PA 15384 412-228-8820	230
Elder-Beerman Stores (1987) 3155 El-Bee Road Dayton, OH 45439 513-296-2700	371
Encyclopaedia Britannica 310 South Michigan Avenue Chicago, IL 60604 312-347-7000	293
Enterprise Rent-A-Car 8850 Ladue Road St Louis, MO 63124 314-863-7000	199
Envirodyne Industries (1989) 701 Harger Road Oakbrook, IL 60521 708-571-8800	356
Epic Healthcare Group PO Box 650398 Dallas, TX 75265 214-869-0707	139
Ernst & Young 277 Park Avenue New York, NY 10172 212-830-6000	16
Essex Group (1988) PO Box 1601 Fort Wayne, IN 46801 219-461-4000	149
Esstar 555 Long Wharf Drive, Suite 12 New Haven, CT 06511 203-777-2274	366
Estée Lauder Cos 767 Fifth Avenue New York, NY 10153 212-572-4200	60
Ethan Allen (1989) Ethan Allen Drive Danbury, CT 06811 203-743-8000	301
Exide PO Box 14205 Reading, PA 19612 215-378-0500	263
Farley 233 South Wacker Drive, Suite 6300 Chicago, IL 60606 312-876-7000	85
Farm Fresh (1988) 7530 Tidewater Drive Norfolk, VA 23505 804-480-6700	251
Fidelity Investments 82 Devonshire Street Boston, MA 02109 617-570-7000	145
Finevest Services 165 Mason Street Greenwich, CT 06830 203-629-8750	55
First American Bankshares First Amer Bank Bldg, 15 & H Sts, NW Washington, DC 20005 202-383-1414	130
Florida Steel (1988) PO Box 31328 Tampa, FL 33631 813-251-8811	348
Flying J PO Box 678 Brigham City, UT 84302 801-734-9416	287
Food Services of America 18340 East Valley Highway Kent, WA 98032 206-251-9100	140
Foodmaker (1988) PO Box 783 San Diego, CA 92112 619-571-2121	133
Fort Howard (1988) PO Box 19130 Green Bay, WI 54307 414-435-8821	150
Frank Consolidated Enterprises 666 Garland Place Des Plaines, IL 60016 708-699-7000	106
Freedom Newspapers 17666 Fitch Irvine, CA 92714 714-553-9292	396
Furr's PO Box 1650 Lubbock, TX 79408 806-763-1931	123
GAF (1989) 1361 Alps Road Wayne, NJ 07470 201-628-3000	162
GLI Holding 901 Main Street, Suite 2400 Dallas, TX 75202 214-744-6500	153
GSC Enterprises PO Box 638 Sulphur Springs, TX 75482 214-885-7621	306
E&J Gallo Winery PO Box 1130 Modesto, CA 95353 209-579-3111	151
Gates PO Box 5887 Denver, CO 80217 303-744-1911	109
General Instrument (1990) 767 Fifth Avenue, 45th Floor New York, NY 10153 212-207-6200	98
Georgetown Industries 1901 Roxborough Road Charlotte, NC 28211 704-366-6901	322
Georgia Crown Distributing PO Box 7908 Columbus, GA 31908 404-568-4580	346
Giant Eagle 101 Kappa Drive Pittsburgh, PA 15238 412-963-6200	77
Gilbane Building 7 Jackson Walkway Providence, RI 02940 401-456-5800	143
Gillett Holdings 555 17th Street, Suite 3300 Denver, CO 80202 303-476-4030	226
Global Petroleum 800 South Street Waltham, MA 02154 617-894-8800	79
Golden State Foods 234 E Colorado Boulevard, Suite 800 Pasadena, CA 91101 818-793-3135	157
Goldman, Sachs 85 Broad Street New York, NY 10004 212-902-1000	19
Golodetz 666 Fifth Avenue New York, NY 10103 212-581-2400	97
Golub PO Box 1074 Schenectady, NY 12301 518-355-5000	183
Gordon Food Service PO Box 1787 Grand Rapids, MI 49501 616-530-7000	247

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Company	Rank
WL Gore & Associates 555 Papermill Road Newark, DE 19711 302-738-4880	310
Grand Union (1988) 201 Willowbrook Boulevard Wayne, NJ 07470 201-890-6000	37
Graybar Electric PO Box 7231 St Louis, MO 63177 314-727-3900	74
B Green & Co 3601 Washington Boulevard Baltimore, MD 21227 301-247-8300	277
Grocers Supply Co PO Box 14200 Houston, TX 77221 713-747-5000	170
Guardian Industries (1985) 43043 West Nine Mile Road Northville, MI 48167 313-347-0100	184
Guess? 1444 South Alameda Street Los Angeles, CA 90021 213-765-3100	372
Gulf States Toyota PO Box 40306 Houston, TX 77240 713-744-3300	159
Gulfstream Aerospace (1990) PO Box 2206 Savannah, GA 31402 912-964-3000	171
H Group Holdings 200 West Madison Street, 39th Floor Chicago, IL 60606 312-750-1234	40
HCB Contractors 1400 Elm Street, Suite 4600 Dallas, TX 75202 214-747-8541	278
HEB Grocery 646 South Main Avenue San Antonio, TX 78204 512-270-8000	39
HMK Enterprises 800 South Street Waltham, MA 02154 617-891-6660	240
Haggar Apparel 6113 Lemmon Avenue Dallas, TX 75209 214-352-8481	373
Hall-Mark Electronics 11333 Pagemill Road Dallas, TX 75243 214-343-5000	347
Hallmark Cards PO Box 419580 Kansas City, MO 64141 816-274-5111	46
Halstead Industries 300 North Greene Street, Suite 400 Greensboro, NC 27401 919-272-1966	360
Harbert PO Box 1297 Birmingham, AL 35201 205-987-5500	258
Hartz Group 667 Madison Avenue New York, NY 10021 212-308-3336	195
Harvard Industries (1988) PO Box 527 Farmingdale, NJ 07727 201-938-9000	211
Haworth One Haworth Center Holland, MI 49423 616-393-3000	374
HealthTrust (1987) 4525 Harding Road Nashville, TN 37215 615-383-4444	76
Hearst 959 Eighth Avenue New York, NY 10019 212-649-2000	59
Helmsley Enterprises 60 East 42nd Street New York, NY 10165 212-687-6400	92
Hendrick Management PO Box 18649 Charlotte, NC 28218 704-568-5550	305
Hensel Phelps Construction PO Box 2440 Greeley, CO 80632 303-352-6565	328
Hertz 225 Brae Boulevard Park Ridge, NJ 07656 201-307-2486	54
Hillman Co 2000 Grant Building Pittsburgh, PA 15219 412-281-2620	84
Hillsborough Holdings (1988) 1500 North Dale Mabry Highway Tampa, FL 33607 813-871-4811	99
Holiday Cos PO Box 1224 Minneapolis, MN 55440 612-830-8700	95
Holman Enterprises 7411 Maple Avenue Pennsauken, NJ 08109 609-663-5200	210
Homeland Stores PO Box 25008 Oklahoma City, OK 73125 405-557-5500	233
Hook-SupeRx 175 Tricounty Parkway Cincinnati, OH 45246 513-782-3000	75
Horace Mann Educators (1989) One Horace Mann Plaza Springfield, IL 62715 217-789-2500	303
Horsehead Industries 110 East 59th Street New York, NY 10022 212-527-3000	241
Horwath International 1845 Walnut Street Philadelphia, PA 19103 215-299-1700	248
Hospital Corp of America (1989) One Park Plaza Nashville, TN 37203 615-327-9551	22
JM Huber 333 Thornall Street Edison, NJ 08818 201-549-8600	234
Hughes Markets 2716 San Fernando Road Los Angeles, CA 90065 213-227-8211	172
Humiston-Keeling 233 East Erie Street, Suite 200 Chicago, IL 60611 312-943-6066	334
Hunt Consolidated/Hunt Oil 1445 Ross at Field Dallas, TX 75202 214-978-8000	237
Hunt Corp PO Box 128 Indianapolis, IN 46206 317-241-6301	227

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Company	Rank
Huntsman Chemical 2000 Eagle Gate Tower Salt Lake City, UT 84111 801-532-5200	177
Hy-Vee Food Stores 1801 Osceola Avenue Chariton, IA 50049 515-774-2121	66
IBC (1988) 12 East Armour Boulevard Kansas City, MO 64111 816-561-6600	135
ICC Industries 720 Fifth Avenue New York, NY 10019 212-903-1700	333
Ingram Industries 4400 Harding Road Nashville, TN 37205 615-298-8200	41
Inland Group 2901 Butterfield Road Oak Brook, IL 60521 708-218-8000	299
Insilco (1988) 300 North Marienfeld, Suite 400 Midland, TX 79702 915-684-4411	229
International Controls (1989) 2016 North Pitcher Street Kalamazoo, MI 49007 616-343 6121	236
International Data Group One Exeter Plaza, 15th Floor Boston, MA 02116 617-534-1200	307
Irvine Co 550 Newport Center Drive Newport Beach, CA 92660 714-720-2000	338
JM Family Enterprises 100 Northwest 12th Avenue Deerfield Beach, FL 33442 305-429-2000	58
JM Petroleum 2500 Allianz Financial Center, Box 185 Dallas, TX 75201 214-953-0330	214
JMB Realty 900 North Michigan Avenue Chicago, IL 60611 312-915-1987	24
JP Foodservice (1989) 7250 Parkway Drive, Suite 300 Hanover, MD 21076 301-796-5617	173
JPS Textile Group (1988) 555 North Pleasant Bird Dr, Suite 202 Greenville, SC 29607 803-271-9919	209
Jerrico (1989) 101 Jerrico Drive Lexington, KY 40579 606-263-6000	304
Jitney-Jungle Stores of America PO Box 3409 Jackson, MS 39207 601-948-0361	238
Johnson & Higgins 125 Broad Street New York, NY 10004 212-574-7000	228
SC Johnson Wax 1525 Howe Street Racine, WI 53403 414-631-2000	33
WB Johnson Properties 3414 Peachtree Road NE, Suite 300 Atlanta, GA 30326 404-237-5500	365
Johnston Coca-Cola Bottling One Union Square, Suite 600 Chattanooga, TN 37402 615-756-0252	124
Jordache Enterprises 226 West 37th Street New York, NY 10018 212-643-8500	321
Jordan Co 315 Park Avenue South, 20th Floor New York, NY 10010 212-460-1915	198
Jordan Motors 609 East Jefferson Boulevard Mishawaka, IN 46545 219-259-1981	332
Earle M Jorgensen Holding (1990) 10700 Alameda Street Lynwood, CA 90262 213-567-1122	204
Joy Technologies (1987) 301 Grant Street Pittsburgh, PA 15219 412-562-4500	329
KPMG 767 Fifth Avenue New York, NY 10153 212-909-5000	17
Kash n' Karry Food Stores (1988) 6422 Harney Road Tampa, FL 33610 813-621-0200	154
Kendall Co (1988) 15 Hampshire Street Mansfield, MA 02048 508-261-8000	194
Peter Kiewit Sons' 1000 Kiewit Plaza Omaha, NE 68131 402-342-2052	21
King Kullen Grocery 1194 Prospect Avenue Westbury, NY 11590 516-333-7100	272
21 International Holdings 153 East 53rd Street, Suite 5900 New York, NY 10022 212-230-0400	225
Koch Industries 4111 East 37th Street North Wichita, KS 67220 316-832-5500	2
Kohl's Department Stores (1986) N54 W13600 Woodale Drive Menomonee Falls, WI 53051 414-783-5800	231
Kohler 444 Highland Drive Kohler, WI 53044 414-457-4441	105
Koll 4343 Von Karman Avenue Newport Beach, CA 92660 714-833-3030	288
LPL Technologies (1990) 358 Hall Avenue Wallingford, CT 06492 203-265-8601	300
LaSalle Energy (1987) PO Box 1478 Houston, TX 77002 713-229-4123	179
Lear Siegler (1987) 220 South Orange Avenue Livingston, NJ 07039 201-535-9522	323
Lear Siegler Seating (1988) 21557 Telegraph Road Southfield, MI 48034 313-746-1500	146
Leaseway Transportation (1987) 3700 Park East Drive Cleveland, OH 44122 216-765-5500	147
Lechmere (1989) 275 Wildwood Street Woburn, MA 01801 617-935-8320	298

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Company	Rank
Lefrak Organization 97-77 Queens Boulevard Rego Park, NY 11374 718-459-9021	38
Lennox International PO Box 7999000 Dallas, TX 75379 214-497-5000	174
Levi Strauss & Co (1985) 1155 Battery Street San Francisco, CA 94111 415-544-6000	28
Levitz Furniture (1985) 6111 Broken Sound Parkway NW Boca Raton, FL 33487 407-994-6006	191
Lewis Homes Group PO Box 670 Upland, CA 91785 714-985-0971	358
Lincoln Property 500 North Akard, Suite 3300 Dallas, TX 75201 214-740-3300	72
Little Caesar Enterprises 2211 Woodward Avenue Detroit, MI 48201 313-983-6000	244
Lusk Co 17550 Gillette Avenue Irvine, CA 92714 714-757-6000	342
Lykes Bros 215 Madison Street Tampa, FL 33602 813-223-3981	340
William Lyon Cos 4490 Von Karman Avenue Newport Beach, CA 92660 714-833-3600	90
MTD Products 5965 Grafton Road Valley City, OH 44280 216-225-2600	353
MWC (1988) 81 Blue Ravine Road Folsom, CA 95630 916-985-5180	116
MacAndrews & Forbes Holdings 36 East 63rd Street New York, NY 10021 212-688-9000	13
RH Macy (1986) 151 West 34th Street New York, NY 10001 212-695-4400	9
Maritz 1375 North Highway Drive Fenton, MO 63099 314-827-4000	206
Marley 1900 Shawnee Mission Parkway Mission Woods, KS 66205 913-362-5440	308
Marmon Group 225 West Washington Street Chicago, IL 60606 312-372-9500	26
Mars 6885 Elm Street McLean, VA 22101 703-821-4900	7
Mayfair Supermarkets (1989) 681 Newark Avenue Elizabeth, NJ 07208 201-352-6400	289
Mayflower Group (1986) PO Box 107 Indianapolis, IN 46206 317-875-1000	271
McCarthy 1341 North Rock Hill Road St Louis, MO 63124 314-968-3300	290
McJunkin PO Box 513 Charleston, WV 25322 304-348-5211	399
McKinsey & Co 55 East 52nd Street New York, NY 10022 212-446-7000	291
McLane 4747 McLane Parkway Temple, TX 76503 817-771-7500	42
McLouth Steel 1650 West Jefferson Trenton, MI 48183 313-246-4002	391
MediaNews Group 4888 Loop Central Drive, Suite 525 Houston, TX 77081 713-295-3800	325
Meijer 2929 Walker, NW Grand Rapids, MI 49504 616-453-6711	52
Menasha PO Box 367 Neenah, WI 54957 414-751-1000	339
Mennen Hanover Avenue Morristown, NJ 07960 201-631-9000	375
Merchants Distributors PO Box 800 Hickory, NC 28603 704-323-4100	188
Metallurg 25 East 39th Street New York, NY 10016 212-686-4010	185
Metromedia One Harmon Plaza Secaucus, NJ 07096 201-348-3244	44
Milliken & Co PO Box 1926 Spartanburg, SC 29304 803-573-2020	47
Minyard Food Stores PO Box 518 Coppell, TX 75019 214-393-8700	292
Montgomery Ward & Co (1988) One Montgomery Ward Plaza Chicago, IL 60671 312-467-2000	14
MorningStar Foods 5956 Sherry Lane, Suite 1100 Dallas, TX 75225 214-360-4700	217
Morse Diesel International 1515 Broadway New York, NY 10036 212-730-4000	376
Morse Operations 1240 North Federal Highway Fort Lauderdale, FL 33304 305-568-0770	192
Morse Shoe (1987) 555 Turnpike Street Canton, MA 02021 617-828-9300	331
MA Mortenson PO Box 710 Minneapolis, MN 55440 612-522-2100	320
Musicland Group (1988) 7500 Excelsior Boulevard Minneapolis, MN 55426 612-932-7700	264
NWA (1989) Minneapolis St Paul Intl Airport St Paul, MN 55111 612-726-2111	11

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Company	Rank
National Car Rental (1986) 7700 France Avenue South Minneapolis, MN 55435 612-830-2121	259
New Hampshire Oak (1989) Liberty Lane Hampton, NH 03842 603-926-1340	302
North Pacific Lumber PO Box 3915 Portland, OR 97208 503-231-1166	311
Oklahoma Publishing PO Box 25125 Oklahoma City, OK 73125 405-232-3311	221
Oppenheimer Group Oppenheimer Twr, World Fincl Ctr New York, NY 10281 212-667-7000	197
Owens-Illinois (1987) One Seagate Toledo, OH 43666 419-247-5000	29
Oxbow 1601 Forum Place West Palm Beach, FL 33402 407-697-4300	100
PIE Nationwide (1986) PO Box 2408 Jacksonville, FL 32203 904-798-2000	363
PMC PO Box 1367 Sun Valley, CA 91353 818-896-1101	164
Pacific Holding 10900 Wilshire Boulevard, Suite 1600 Los Angeles, CA 90024 213-208-6055	175
Arnold Palmer Automotive Group Route 30 East, PO Box 615 Latrobe, PA 15650 412-537-9700	388
Charles Pankow Builders 2476 North Lake Avenue Altadena, CA 91001 213-684-2320	279
Parsons & Whittemore Four International Drive Rye brook, NY 10573 914-937-9009	377
Parsons Corp (1985) 100 West Walnut Street Pasadena, CA 91124 818-440-2000	203
Payless Cashways (1988) 2300 Main Street Kansas City, MO 64141 816-234-6000	64
Penske 13400 Outer Drive West Detroit, MI 48239 201-758-6620	48
Pepper Cos 643 North Orleans Street Chicago, IL 60610 312-266-4703	387
Perdue Farms PO Box 1537 Salisbury, MD 21802 301-543-3000	141
Phar-Mor PO Box 400 Youngstown, OH 44501 216-746-6641	81
Placid Oil 3900 Thanksgiving Tower Dallas, TX 75201 214-880-1000	354
Polo Ralph Lauren 40 West 55th Street New York, NY 10019 212-603-2600	104
Potamkin Manhattan 787 Eleventh Avenue New York, NY 10019 212-603-7231	152
Price Waterhouse 1251 Sixth Avenue New York, NY 10020 212-489-8900	35
Prime Computer (1990) Prime Park Natick, MA 01760 508-655-8000	86
Prospect Motors 645 Highway 49 & 88 N Jackson, CA 95642 209-223-1740	274
Publix Super Markets PO Box 407 Lakeland, FL 33802 813-688-1188	12
Pueblo International (1988) 1300 NW 22nd Street Pompano Beach, FL 33069 305-977-2500	156
Pullman (1988) 220 South Orange Avenue Livingston, NJ 07039 201-535-9522	235
QuikTrip PO Box 3475 Tulsa, OK 74101 918-836-8551	390
RAB Holdings 444 Madison Avenue, Suite 601 New York, NY 10022 212-688-4500	62
RJR Nabisco (1989) 1301 Sixth Avenue New York, NY 10019 212-258-5600	4
Racetrac Petroleum PO Box 105035 Atlanta, GA 30348 404-431-7600	318
Raley's 500 West Capitol Avenue West Sacramento, CA 95605 916-373-3333	120
Randall's Food Markets 3663 Briar Park Houston, TX 77042 713-268-3500	186
Red Apple Group 823 Eleventh Avenue New York, NY 10019 212-580-6805	67
Reliance Electric (1986) 6065 Parkland Boulevard Cleveland, OH 44124 216-266-5800	93
Restaurant Enterprises Group One Park Plaza Jamboree Ctr, Suite 900 Irvine, CA 92714 714-852-5745	181
Revco DS (1986) 1925 Enterprise Parkway Twinsburg, OH 44087 216-425-9811	49
Rich Products 1150 Niagra Street Buffalo, NY 14213 716-878-8000	245
Riklis Family 725 Fifth Avenue New York, NY 10022 212-735-9500	45
Rock-Tenn PO Box 4098 Norcross, GA 30091 404-448-2193	341
Roseburg Forest Products PO Box 1088 Roseburg, OR 97470 503-679-3311	239

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Company	Rank
Rosenthal Cos 1550 Wilson Boulevard, Suite 700 Arlington, VA 22209 703-522-2300	393
Ruffin Cos PO Box 17087 Wichita, KS 67217 316-942-7940	367
Rugby-Darby Group Cos 100 Banks Avenue Rockville Center, NY 11570 516-536-3636	398
S&A Restaurant (1989) PO Box 6660103 Dallas, TX 75266 214-404-5000	262
S&P Co 100 Shoreline Highway, Bldg B, Suite 39 Mill Valley, CA 94941 415-332-0550	378
Sammons Enterprises 403 South Akard Dallas, TX 75202 214-670-9790	96
Save Mart Supermarkets PO Box 4278 Modesto, CA 95352 209-577-1600	163
Schal Associates 200 West Hubbard Street Chicago, IL 60610 312-245-1000	216
Peter J Schmitt Co 355 Harlem Road West Seneca, NY 14224 716-825-1111	155
Schneider National PO Box 2545 Green Bay, WI 54306 414-497-2201	257
Schnuck Markets 11420 Lackland Road St Louis, MO 63146 314-994-4400	158
Schottenstein Stores 3241 Westerville Road Columbus, OH 43224 614-221-9200	208
Schreiber Foods PO Box 19010 Green Bay, WI 54307 414-437-7601	161
Schwan's Sales Enterprise 115 West College Drive Marshall, MN 56258 507-532-3274	91

Company	Rank
Science Applications International 10260 Campus Point Drive San Diego, CA 92121 619-546-6000	160
Scoular Co 2027 Dodge Street Omaha, NE 68102 402-342-3500	121
Sealy 1228 Euclid Avenue Cleveland, OH 44115 216-522-1310	255
Service America (1987) 88 Gatehouse Road Stamford, CT 06904 203-964-5000	144
Shapell Industries 8383 Wilshire Boulevard, Suite 700 Beverly Hills, CA 90211 213-655-7330	254
Sierra Pacific Industries PO Box 496028 Redding, CA 96049 916-365-3721	389
Silgan (1989) Four Landmark Square, Suite 301 Stamford, CT 06901 203-975-7110	326
JR Simplot Co PO Box 27 Boise, ID 83707 208-336-2110	88
Simpson Investment 1201 Third Avenue, Suite 4900 Seattle, WA 98101 206-224-5000	218
SnyderGeneral 3219 McKinney Avenue Dallas, TX 75204 214-754-0500	189
Southland (1987) PO Box 711 Dallas, TX 75221 214-828-7587	6
Southwire PO Box 1000 Carrollton, GA 30119 404-832-4242	111
Steelcase PO Box 1967 Grand Rapids, MI 49501 616-247-2710	73

Company	Rank
Stop & Shop Cos (1988) One Bradlee Circle Braintree, MA 02184 617-380-8000	23
Stroh Brewery 100 River Place Detroit, MI 48207 313-446-2000	112
Sunshine Biscuits (1988) 100 Woodbridge Center Drive Woodbridge, NJ 07095 201-855-4000	379
Super Rite Foods (1989) PO Box 2261 Harrisburg, PA 17105 717-232-6821	205
Supermarkets General (1987) 301 Blair Road Woodbridge, NJ 07095 201-499-3000	10
Sverdrup 801 North Eleventh Street St Louis, MO 63101 314-436-7600	384
Sweet Life Foods 1120 Harvey Lane Suffield, CT 06078 203-623-1681	176
Sweetheart Holdings (1989) 7575 South Kostner Avenue Chicago, IL 60652 708-767-3300	207
TLC Beatrice Intl Holdings (1986) 9 West 57th Street, 48th Floor New York, NY 10019 212-756-8900	127
TRC One Pierce Place, Suite 100E Itasca, IL 60143 708-250-0471	242
Tang Industries 1965 Pratt Boulevard Elk Grove Village, IL 60007 708-806-7600	268
Tauber Oil PO Box 4645 Houston, TX 77210 713-869-8700	119
Taubman Co 200 East Long Lake Road Bloomfield Hills, MI 48304 313-258-6800	125
Thrifty Oil 10000 Lakewood Boulevard Downey, CA 90240 213-923-9876	142

Where to Find the 400 Largest U.S. Private Companies

Company	Rank
Tishman Realty & Construction 666 Fifth Avenue New York, NY 10103 212-399-3600	134
Titan Industrial 555 Madison Avenue New York, NY 10022 212-421-6700	380
Topa Equities Ltd 1800 Avenue of the Stars, Suite 1400 Los Angeles, CA 90067 213-203-9199	349
Tops Markets (1986) 60 Dingens Street Buffalo, NY 14206 716-823-3712	131
Towers, Perrin 245 Park Avenue New York, NY 10167 212-309-3400	266
Tracor (1987) 6500 Tracor Lane Austin, TX 78725 512-926-2800	296
Trammell Crow 2001 Ross Avenue, Suite 3500 Dallas, TX 75201 214-979-5100	115
Trans World Airlines (1988) 100 South Bedford Road Mt Kisco, NY 10549 914-242-3000	20
Transammonia 350 Park Avenue New York, NY 10022 212-223-3200	132
Treasure Chest Advertising 511 West Citrus Edge Glendora, CA 91740 818-914-3981	381
Trump Organization 725 Fifth Avenue New York, NY 10022 212-832-2000	89
UIS 600 Fifth Avenue, 27th Floor New York, NY 10020 212-581-7660	324
Union Holdings c/o Shane & Gould 1251 Sixth Avenue New York, NY 10020 212-827-3676	101
Uniroyal Chemical (1989) World Headquarters Middlebury, CT 06749 203-573-2000	215
United Co PO Box 1280 Bristol, VA 24203 703-466-3322	395
United Parcel Service Greenwich Office Pk #5 Greenwich, CT 06831 203-862-6000	5
United Van Lines One United Drive Fenton, MO 63026 314-326-3100	232
VT 8500 West Shawnee Mission Parkway Merriam, KS 66202 913-432-6400	136
WWF Paper Two Bala Plaza Bala Cynwyd, PA 19004 215-667-9210	246
Walbridge, Aldinger 613 Abbott Street Detroit, MI 48226 313-963-8000	394
Jim Walter (1988) 4010 Boy Scout Boulevard Tampa, FL 33607 813-873-4194	314
Walton Monroe Mills PO Box 1046 Monroe, GA 30655 404-267-9411	351
Warnaco (1986) 90 Park Avenue, 12th Floor New York, NY 10016 212-661-1300	361
Warren Equities 10 East 53rd Street, 20th Floor New York, NY 10022 212-751-8100	315
George E Warren 605 17th Street Vero Beach, FL 32960 407-778-7100	63
Washington Corp PO Box 8182 Missoula, MT 59807 406-523-1300	382
Watt Industries PO Box 2114 Santa Monica, CA 90406 213-450-0779	260
Wawa Red Roof, Baltimore Pike Wawa, PA 19063 215-358-8000	359
Wegmans Food Markets PO Box 844 Rochester, NY 14692 716-328-2550	102
Wheaton Industries 1101 Wheaton Avenue Millville, NJ 08332 609-825-1400	355
White Swan (1988) 2700 Handley-Ederville Road Fort Worth, TX 76118 817-284-4844	261
Whiting-Turner Contracting 300 East Joppa Road Towson, MD 21204 301-821-1100	383
Wickes Lumber (1988) 706 Dearpath Drive Vernon Hills, IL 60061 708-367-6540	165
Wilbur-Ellis 320 California Street San Francisco, CA 94104 415-772-4000	219
Woodward & Lothrop/J Wannamaker (1985) 1025 F Street NW Washington, DC 20013 202-879-8222	193
Worldmark 1208 United States Highway One North Palm Beach, FL 33408 407-626-3116	280
York International (1988) 631 South Richland Avenue York, PA 17403 717-771-7890	94
Young & Rubicam 285 Madison Avenue New York, NY 10017 212-210-3000	196
Young's Market 500 South Central Avenue Los Angeles, CA 90013 213-629-5571	212
Yucaipa Cos 250 West First Street, Suite 210 Claremont, CA 91711 714-626-8776	68
HB Zachry PO Box 21130 San Antonio, TX 78221 512-922-1213	267

Commentary by Michael Gianturco

PEER REVIEW

When a scientist's star is rising, success shines first in a publication called the *Science Citation Index*. The index is a 21-volume annual issued by the Institute for Scientific Information in Philadelphia. Each year the index reports an updated count of the number of times a given scientific paper has been cited as a reference in other scientific papers. This seemingly dry collection of numbers can be a fertile source of basic information for investors.

Citation reports show very clearly where scientists are focusing attention and resources. It is in these hot areas that research is most likely to pay off. But be careful interpreting these data. A published research idea will not automatically generate profits for the company that sponsored it. The idea may never be brought to fruition, or—if it is a sound idea that has been badly protected—it may generate profits for another company altogether. Or it may get stopped short of a necessary regulatory approval, for example by the Food & Drug Administration. In short, good science cannot guarantee good profits. But it has to be there, or the profits won't follow.

A germinal scientific paper may pull 200 or more citations per month. How significant to investors is the number of citations for work published by scientists in industry? David Pendlebury, an analyst at the Institute for Scientific Information, tracks these statistics. Results of a study he recently conducted in biotechnology are shown in the table. These citations are tabulated by company affiliation. It's like a Nielsen rating system for biotech. It shows which companies' research work is being watched most closely by scientists.

Not surprisingly, industry leader Genentech topped the list, with 32,418 citations during the eight-year period 1981-88. Next best was Biogen, with 7,884. This table lists the companies in order of a calculated ratio of citations per paper, so that small and large companies can be fairly compared. Genentech wins on this basis, too.

It takes two years for citations of a new paper to mount up to a significant level, so this type of study lags. In four years, however, changes in this measure of audience response can be seen. Genentech did as well in the second four years of this eight-year study as it did in the first four. (Contrast this steady scientific performance with Genentech's erratic stock market record.) Citation rates for Immunex and Centocor have retreated in recent years: Genetics Institute advanced and California Biotechnology almost doubled its score.

Amgen has become a commercial and stock market juggernaut—its shares are up 81% in just one year—yet in terms of having its research cited, it is at the bottom of the list. The company's scientists have published quite a bit, but their papers are not being cited very often. Amgen's archrival, Genetics Institute, has drawn much more scientific interest but has fared less well with financial analysts and the markets. The stock is up a comparatively slight 9% from year-ago levels. Analysts estimate that Amgen will earn $1.25 per share in its current fiscal year; estimates suggest Genetics Institute may lose $1.71.

This is not necessarily a paradox. Biotech companies whose papers rivet the attention of the scientific community may be in for tough sledding at the FDA—precisely because they are exploring new ground. In publishing they may hand away some of their technology to their competitors. Finally, it is a commercial truism that "the pioneers are the guys with the arrows in their backs." It does not necessarily pay to come in first scientifically—in the short run.

In the long run scientific strength is the mainspring of the biotechnology stocks, and this strength is clearly pinpointed by the *Citation Index* studies. The acknowledgment by scientists of a company's scientific competence is a pretty fair signal of ultimate success. Management must deliver on this scientific promise. But if the science is not intriguing to scientists, the promise is probably not there. ■

Biotech's Nielsen ratings

One way to rate a biotech company is to count the times its research is cited by scientists elsewhere—an interesting, if imperfect, way to predict success.

Company	Scientific papers published	Times papers cited	Cites per paper
Genentech	718	32,418	45
Immunex	120	4,045	34
Biotech Research	49	1,629	33
Molecular Genetics	57	1,855	33
Chiron	207	6,365	31
Genetics Institute	166	5,041	30
DNAX (Schering-Plough)	166	4,963	30
Centocor	95	2,819	30
Biogen	269	7,884	30
California Biotechnology	115	2,523	22
Cetus	317	5,828	18
Amgen	132	2,162	16

Source: Institute for Scientific Information

Michael Gianturco is president of The Princeton Portfolios, a New Jersey asset management firm that specializes in science and technology investments.

The Forbes Wall Street Review

By Eric S. Hardy

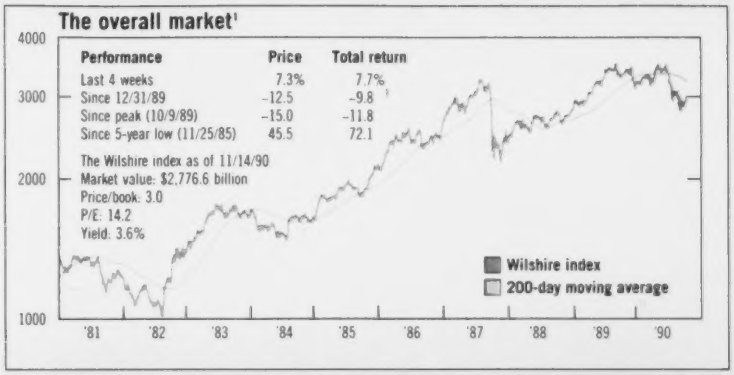
What's wrong with the market? The four B's, says Alan Ackerman, Gruntal & Co. senior vice president: "Banks, bullets, budgets and bears."

Among Ackerman's picks for bullet-dodging stocks are Boeing and Glaxo Holdings. Boeing, for which Value Line predicts earnings of $4 a share this year, was recently trading at 46½, down from a high of 61⅞. Ackerman says Boeing's overseas sales (54% of its $20 billion total) should benefit from the weak dollar. Glaxo, a British pharmaceutical firm with a large presence in the U.S., should weather a recession with strong sales of such hot prescription drugs as Ventolin and Zantac.

During the two weeks to Nov. 14, several of the stronger financials—Barnett Banks, State Street Boston and Golden West Financial—staged recoveries. Some of the beleaguered cellular telephone stocks were also strong. Both McCaw Cellular and Metro Mobile posted gains of 41%.

Over the last ten trading days the Dow industrials hit a seven-week high, but the Nasdaq index finished with the largest increase, a gain of 8.2%. The capitalization-weighted Wilshire index was up 5.6%, while an equal-weighted version was up 3.7%. The ratio of price to earnings of the weighted Wilshire index from the year's start to now has declined by over one-third, from 22 to 14, while its yield has risen from 3% to 3.6%.

The overall market[1]



The Best Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Barnett Banks	21⅛	49%	8	4,417	2.7
State Street Boston	33⅛	44	11	4,132	2.3
Continental Corp	23¾	43	17	2,225	1.2
Storage Technology	19½	42	10	2,530	0.7
PNC Financial	23	42	9	2,586	1.7

The Worst Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Scripps Howard Broadcasting	34	-31%	13	8	0.7
Union Texas Petroleum	17½	-21	60	918	1.3
Adolph Coors	20⅛	-18	22	2,193	1.3
Browning-Ferris Industries	23⅛	-17	NM	14,305	2.4
LAC Minerals	6⅝	-16	44	527	0.4

Closeup on the Market

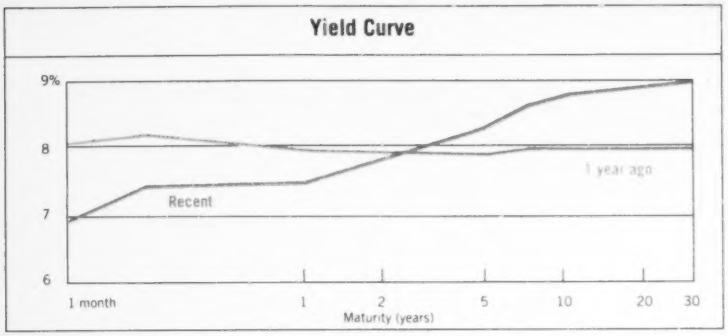
Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	2,993.78	5.6%
Wilshire index 6,000 stocks, equal weighted	16.69	3.7
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,559.70	4.8
S&P 500 Capitalization weighted cross section, major stocks	320.40	5.4
NYSE Capitalization weighted, all listed common stocks	174.70	5.1
Amex Capitalization weighted total return, stocks, warrants	297.90	3.5
Nasdaq Capitalization weighted, all issues except warrants	356.90	8.2
Amex international market index Capitalization weighted, 50 largest ADRs	294.84	-0.7

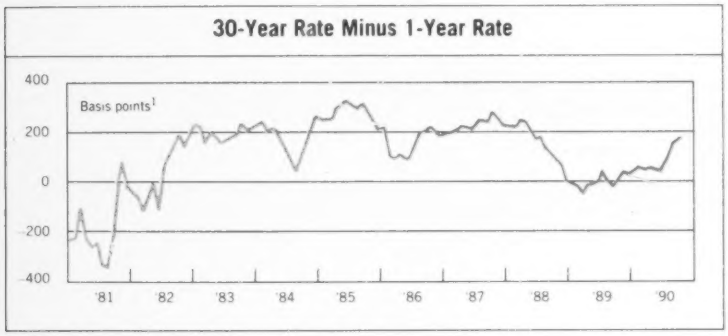
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	808.50	-2.3%
Institutional[5] Approximately 200 stocks with high institutional ownership	90.62	10.1
Individual[5] Approximately 200 stocks with low institutional ownership	81.41	0.9
Russell 2000 index 2000 stocks with small market values, capitalization weighted	124.74	-5.0
Gold[6] (composite quote of 6 major dealers)	$377.60	-0.6
Yen[6] (per $U.S.)	129.07	-0.7
Commodity index[6] (CRB futures index, 1967 = 100)	225.59	-1.8
Oil[6] (W Texas Intermediate)	$31.15	-11.6
T bills[6] (90 days)	7.06%	-2 basis points[7]
Broker loan rate[6]	9.50%	25 basis points[7]

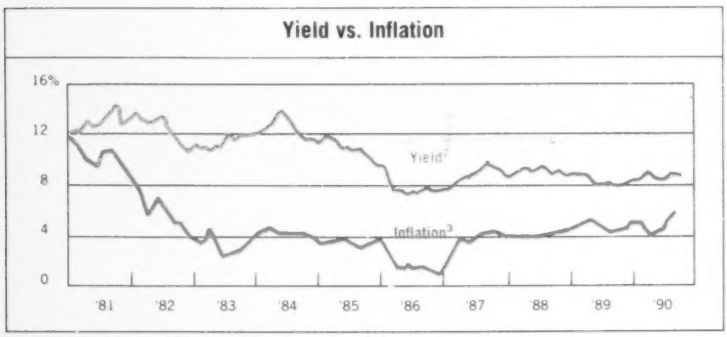
Note: All data for periods ending 11/14/90. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

Fixed Income Review

By Eric S. Hardy







Spread over Treasurys		Total returns		
Security	Basis points[1]	Security	1 year[6]	3 years[6,7]
AA corporates	104	AAA corporates	5.6%	10.3%
AAA industrials	94	Ginnie Maes[5]	8.3	11.1
Ginnie Maes	112	Junk corporates[4]	-8.9	10.9
Junk corporates[4]	1,060	Municipals[5]	7.4	9.9
Municipals[5]	209	Treasury bonds	6.0	9.3

Concern about credit quality is one reason municipal and corporate interest rates have increased. Moody's Investors Service reports that, during the first half of 1990, it downgraded $235 billion in corporate debt securities and upgraded only $51 billion worth. For every company whose debt rating was increased, there were more than four whose ratings declined. That's a sharp deterioration from 1989, when the ratio was 2.5 declines to every increase. The trend does not appear to be improving: Of the 77 debt issues currently under review by Moody's, only 14 are being considered for an upgrade.

John Lonski, a Moody's analyst, says that overall corporate credit quality is even worse than it was during the last recession. Even for bonds not considered junk, the turmoil has caused a flight to quality. "The spread between the highest- and lowest-rated investment-grade industrial corporate debt is currently 205 basis points," Lonski says (that is, slightly more than two percentage points of annual yield). "That's the widest since January 1983." Some bonds Moody's still considers investment grade have junk yields. Two Chrysler bonds—the 12s of 2015 and the 10.95s of 2017—offer a yield to maturity of more than 17%.

On the quality end, the real (after inflation) yield of ten-year Treasurys is at its lowest level since 1981. Here, inflation is measured by the trailing 12-month change in consumer prices. Long Treasury bonds currently offer a nice yield premium over short-term notes *(see top left)*. Sounds tempting, but keep in mind that a bond maturing in 2020, even one that carries no credit risk, is, next to zero coupon bonds, one of the most volatile bonds around. It will decline in price much faster than short-term notes if interest rates rise. It will also appreciate much more if rates fall.

Neuberger & Berman, a fund distributor and money manager in New York City, says that the best compromise for purely income-oriented investors is five-year Treasury notes. This maturity subjects investors to only 25% or 30% of the interest-rate risk carried by longer-term bonds while participating in about 95% of the income of those securities.

Note: Except where footnoted, all information provided by Berkeley, Calif.-based Barra, a financial consulting firm. [1]A basis point is equal to one-hundredth of a percentage point. [2]Yield on ten-year Treasurys. [3]The trailing 12-month increase in the Consumer Price Index, through 9/30/90. [4]Source: First Boston. [5]Source: Shearson Lehman Brothers. [6]Through 10/31/90. [7]Three-year total return, annualized.

MONEY & INVESTMENTS

Investors spend a lot of money for experts to read the interest rate future. There is a cheaper and more accurate way.

WHITHER INTEREST RATES?

By Charles E. Babin

With 1991 around the corner, investors are worried about the interest rate environment in the year ahead. It's a critical variable, one that figures pervasively into financial returns and the nation's economy. As noted economist Irving Fisher observed in 1907, the rate of interest "permeates all economic relations" and enters into all our far-reaching decisions.

Given this importance, it's not surprising that so many resources are consumed searching for reliable interest rate forecasts. Many investors spend hundreds, if not thousands, of dollars annually on economic newsletters in an effort to get a fix on rates. But when it comes to forecasting Treasury bill yields, there's reason to believe that money is largely wasted, especially if one considers an efficient and very low cost alternative.

It is understandable why the experts fret over their ability to pinpoint the upcoming year's average three-month bill rate—standard packaging for Treasury bill forecasts. Given the variability of even these so-called riskless securities, countless economists have come to appreciate just how humbling the forecasting business can be.

Consider 1980. Measured as a calendar-year average, T bills posted a mean yield of 11.5%, up 150 basis points from 1979's average rate. The averaging process, however, masked the severity of the market's turbulence during 1980, and hence the degree of difficulty in predicting the interest rate scenario. At the start of the year three-month Treasurys were hovering just above 12%. By late March rates hit 16%. By June the spot yield dropped back to 6.18%, and then rebounded to slightly over 17% in December.

While 1980 was exceptional, it wasn't the only year characterized by extreme intrayear fluctuations. Measured peak-to-trough, T bill pricing shifted more than 700 basis points in 1981 and in 1982 as well. Over the balance of the decade, moves on the order of 150 to 300 basis points were commonplace.

Interestingly, investors have an alternative, highly efficient way to anticipate interest rate movement. At the close of the old year, turn to the "Treasury Bonds, Notes & Bills" section of your favorite financial paper. Find the yield quotation for a T bill with three months to maturity. Now naively assume this rate to be the average bill rate for the upcoming calendar year.

Sophisticated? No. Effective? Incredibly so, as the forecasting record of these "market" forecasts attests.

For instance, the spot three-month T bill yield at the end of 1988 (8.1%) was exactly 1989's average rate. And 1989 was no fluke. As shown in the table, on average the technique was within 60 basis points of correctly forecasting the actual outcome over the last ten years. The "experts," as tracked by a survey of 50 or so of the nation's top economists, managed to beat the market on only three occasions (1988, 1983 and 1982).

Notice, too, that during the extraordinary 1980-82 period, the "market" forecasts were within their average error rate. In this same period, the experts were not nearly as clairvoyant and suffered some of their biggest misses.

Thus far, 1990 is running true to form. At year-end 1989 the three-month T bill rate was 7.6% (1990's market forecast) and the experts were predicting 7.1% for the year. Through mid-November, this year's average yield was running around 7.6%. With only weeks remaining, it's unlikely the full-year mean will be markedly different.

Where are interest rates headed next year? Don't ask me or the experts. Check out Treasury bills in the third section of the Jan. 2, 1991 *Wall Street Journal*. ■

Go to the source

Divining interest rates: market prices versus expert opinion.

	Average 3-month T bill yield	Market forecast[1]	Difference	Expert forecast[2]	Difference
1989	8.1%	8.1%	0.0%	7.8%	0.3%
1988	6.7	5.7	1.0	6.0	0.7
1987	5.8	5.7	0.1	5.4	0.4
1986	6.0	7.1	0.9	7.1	0.9
1985	7.5	7.9	0.4	8.6	1.1
1984	9.5	9.0	0.5	8.8	0.7
1983	8.6	7.9	1.7	7.7	0.9
1982	10.6	11.1	0.5	10.8	0.2
1981	14.0	14.3	0.3	11.4	2.6
1980	11.5	12.0	0.5	10.4	1.1
Average			0.6		0.9

[1]Spot 3-month Treasury bill yield at end of previous year. [2]Mean estimate at end of previous year of Blue Chip Economic Indicators survey.

Charles E. Babin is managing director of BRS Capital Management, Inc., an investment management firm, in Boston.

EXTRAPOLATION MADNESS: THE GOLF BOOM THAT WASN'T

TROUBLE AHEAD FOR THE HEALTH CARE INDUSTRY

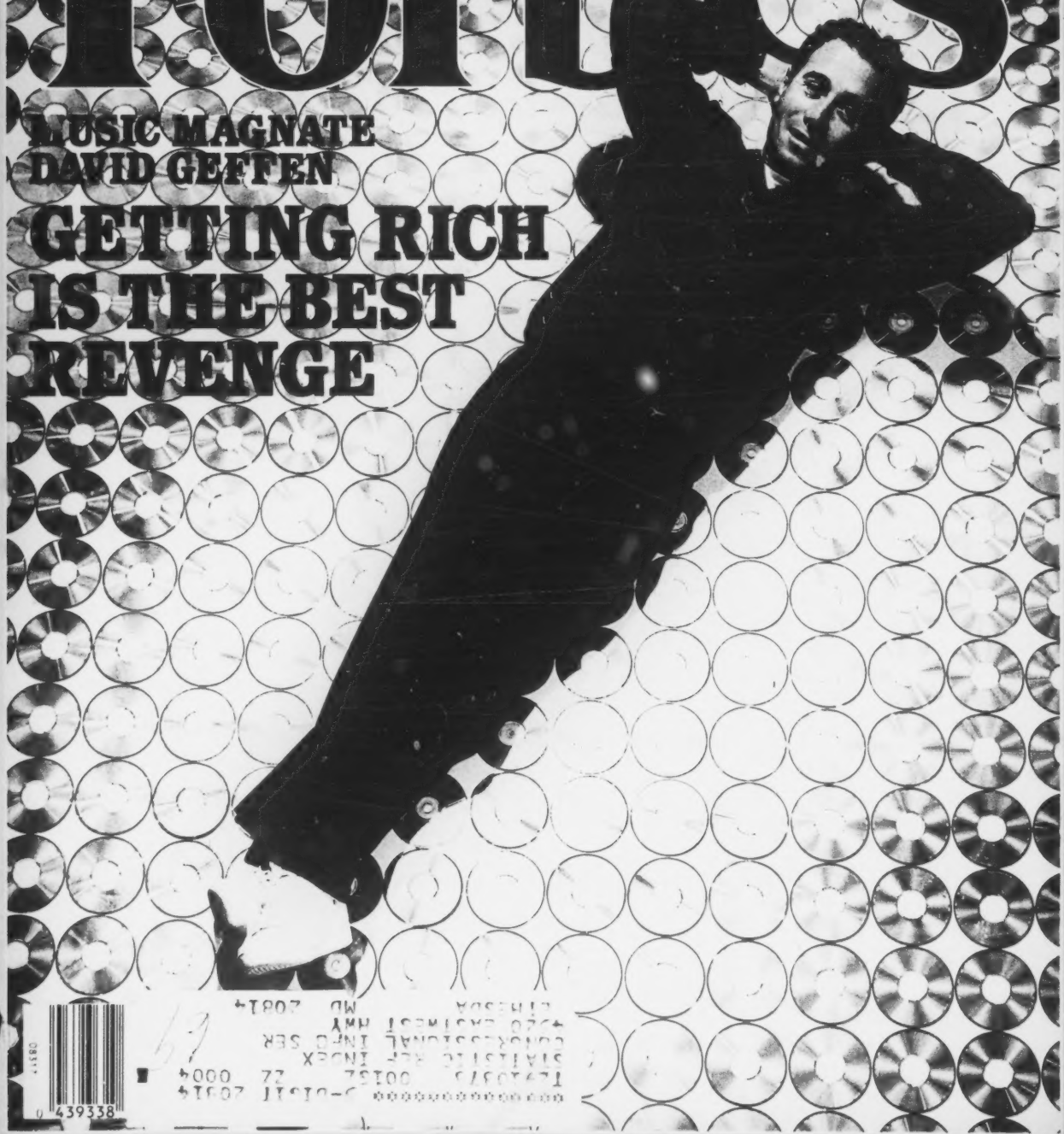
EXERCISING AT YOUR DESK: HOW TO KEEP THOSE ENDORPHINS FLOWING

DECEMBER 24, 1990 FOUR DOLLARS

Forbes

MUSIC MAGNATE DAVID GEFFEN

GETTING RICH IS THE BEST REVENGE



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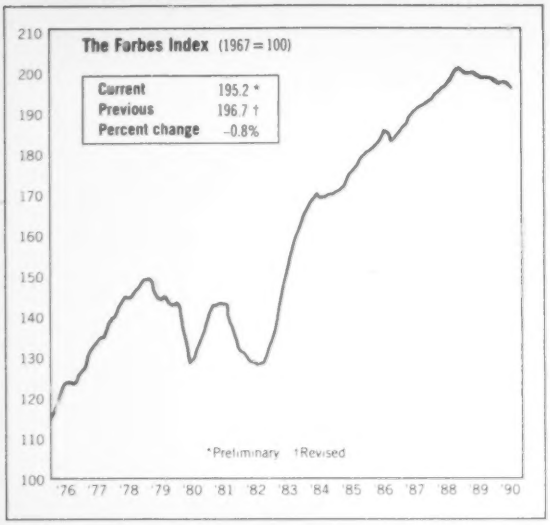
The Forbes Index



Despite a 3.6% jump in durable goods orders, the preliminary Forbes Index shows a 0.8% decline in October. (Two items have not been reported: consumer installment credit and inventories.) If this decline in the Index holds, it will be not only the third consecutive monthly decline but also the largest drop in nearly four years. Adverse indicators include declining industrial production and personal income, and rising unemployment claims. Housing starts rose 1.2% from September to October. That leaves them 27% below their October 1989 level.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.0%
Auto sales year to date vs. 1989[1]	Ward's Automotive	-2.8%
Index of leading indicators October vs. September	Dept of Commerce	-1.2%
Trade balance 12 months ended September 1990	Dept of Commerce	-$101 bil
Producer price index October vs. 1989[2]	Dept of Labor	6.4%
GNP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	1.7%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	10.0%

[1]U.S.-based manufacturers, excludes imports, as of 11/20/90. [2]Finished goods. [3]October 1990.

Index Components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

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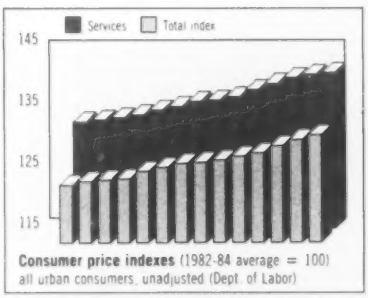
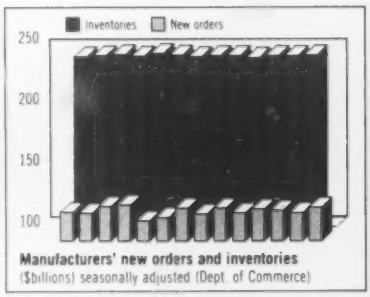
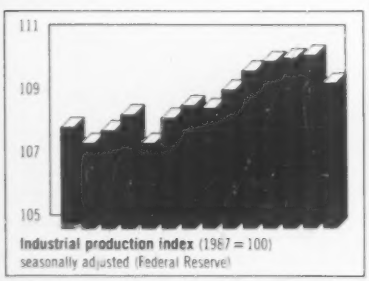


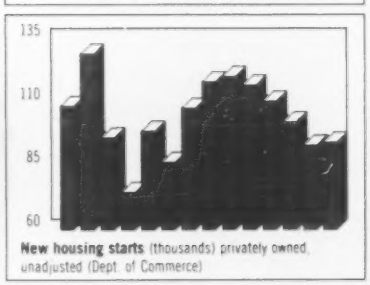
Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)



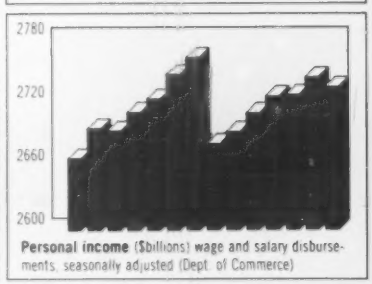
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



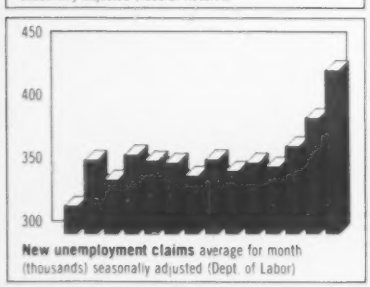
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)



New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)

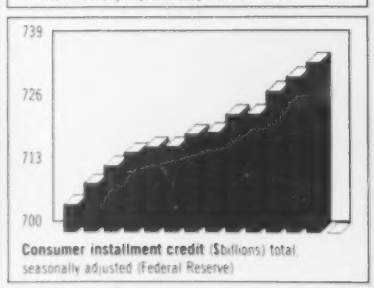


Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)

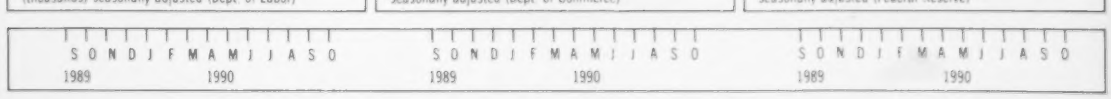


New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)

Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)



The Forbes Wall Street Review

By Eric S. Hardy

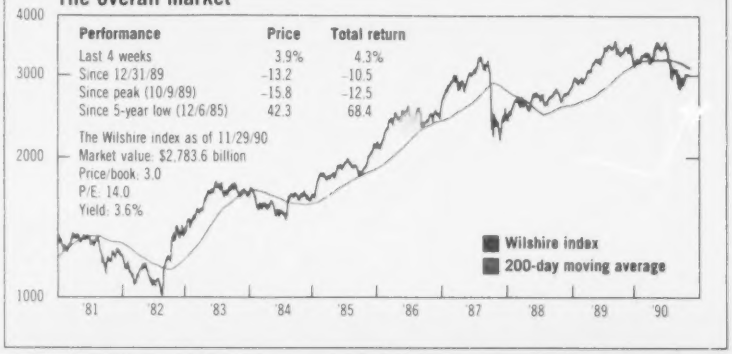
Douglas Jones, portfolio manager of Sit New Beginning Growth Fund, bravely ventures where most other investors fear to tread—into initial public offerings and small-company stocks. "We buy stocks for the long term," he says, "and assume we'll have to hold a position if and when liquidity dries up." Jones doesn't mind being one of only a few institutional investors in a stock if he's confident about the firm's management and underlying business.

Stocks that seem underanalyzed or misunderstood are one of his fortes. One example: Dekalb Genetics, a seed company that was distributed without fanfare to Dekalb AgResearch holders in August 1988, when the latter split up its agriculture and energy businesses.

Arctco Inc., once part of Minneapolis investor Irwin Jacobs' empire, is another example. "This summer, Arctco went public when nobody wanted to think about new issues, especially a snowmobile company," Jones recalls. But Jones now sees a buying opportunity in Arctco, which was offered at 11 and now trades at 7.

During the two weeks ended Nov. 29, the capitalization-weighted Wilshire index was unchanged. It is now off 13% for the year. Absent a quick and dramatic rally, the Wilshire index is likely to end the year lower than it began, for the first time since 1987.

The overall market[1]



The Best Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Viacom	22⅛	27%	NM	244	1.2
Lotus Development	22⅜	27	11	4,233	1.0
Texas Instruments	31¾	19	NM	4,582	1.8
Russell	21¼	18	13	560	0.9
LAC Minerals	7⅝	15	51	614	0.5

The Worst Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
MCI Communications	20	-33%	18	26,199	1.6
Echo Bay Mines	8¾	-18	NM	3,927	1.5
USF&G	8¾	-17	6	8,720	2.4
US Bancorp	17¼	-16	6	3,784	1.0
Arkla Exploration	14⅜	-16	NM	160	1.3

Closeup on the Market

Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	2,968.36	0.0%
Wilshire index 6,000 stocks, equal weighted	17.10	2.3
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,518.81	-1.0
S&P 500 Capitalization weighted cross section, major stocks	316.42	-0.2
NYSE Capitalization weighted, all listed common stocks	173.14	0.0
Amex Capitalization weighted total return, stocks, warrants	299.87	1.1
Nasdaq Capitalization weighted, all issues except warrants	355.75	0.4
Amex international market index Capitalization weighted, 50 largest ADRs	293.82	-0.7

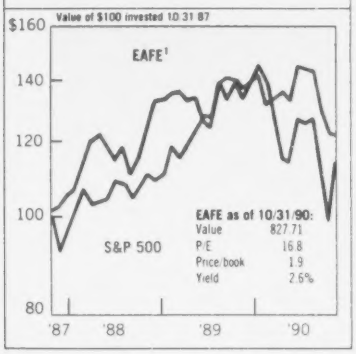
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	789.20	-2.0%
Institutional[5] Approximately 200 stocks with high institutional ownership	91.74	1.2
Individual[5] Approximately 200 stocks with low institutional ownership	81.82	0.5
Russell 2000 index 2000 stocks with small market values, capitalization weighted	127.51	2.6
Gold[6] (composite quote of 6 major dealers)	$389.00	1.8
Yen[6] (per $U.S.)	133.50	2.9
Commodity index[6] (CRB futures index, 1967 = 100)	224.72	-0.1
Oil[6] (W Texas Intermediate)	$28.85	-7.2
T bills[6] (90 days)	7.02%	-7 basis points[7]
Broker loan rate[6]	9.25%	-25 basis points[7]

Note: All data for periods ending 11/29/90. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 11/30/90. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

World Markets Review

By Gustavo Lombo

Foreign vs. U.S. markets



Developed markets

Market	Total return[2] 3 months	12 months	P/E
Japan	–6%	–27%	32
UK	–7	22	10
Denmark	–7	23	15
Netherlands	–8	11	11
Belgium	–11	3	9
Austria	–30	31	34
Sweden	–29	–7	10
Finland	–25	–29	10
New Zealand	–25	–31	17
Singapore[3]	–23	–1	15

Emerging markets

Region	Total return[2] 3 months	12 months	P/E
Latin America	–20%	–20%	NA
Asia	–24	–46	NA
Country	**Total return[2] 3 months**	**12 months**	**P/E**
Venezuela	95%	335%	21
Zimbabwe	16	107	11
India	11	55	25
Brazil	–48	–65	7
Philippines	–45	–59	17
Taiwan/China	–39	–65	26

Japan's market fell to a new 1990 low in October and then made a partial recovery. For the three months ended Oct. 31, the total return—dividends plus (or minus) appreciation, all expressed in dollars—on Japanese stocks was –6%, the best among developed overseas markets. (Morgan Stanley's EAFE index was off 10.6%.) Makoto Hiranuma, a senior analyst at Nomura Research Institute in New York, attributes the relatively good Japanese showing to an easing of monetary policy, a lowering of the ten-year bond yield (to 7.8%) and an influx of foreign money.

Venezuelan stocks have a 12-month total return of 335%. Higher oil prices helped. Alejandro Recio of Caracas brokerage Marino Recio Valores also credits new laws that let commercial banks become market participants, and the government's willingness to attract foreign investment. Venezuela's total market capitalization is nearly $6 billion, or about that of one big U.S. stock such as Monsanto. A year ago this market was worth $1.3 billion.

Who's Hot

Company/country	Business	Price	3-month price change	P/E
Eisai/Japan	health prods	15	22%	35
Mount Charlotte/UK	leisure/tourism	1⅜	20	13
Nutricia Cert/Netherlands	food prods	65⅝	18	16
Baltica Holding/Denmark	insurance	172¾	17	14
Synthelabo/France	health care	124	14	28

Who's Not

Company/country	Business	Price	3-month price change	P/E
News Corp/Australia	broadcast/pub	4	–59%	5
Cerus/France	financial svcs	27¼	–59	3
SKF B Fria/Sweden	ind components	13	–57	6
Cookson Group/UK	misc materials	1½	–55	3
Bramalea/Canada	real estate	5	–51	7

Cheap Foreign Stocks

Company/country	Business	Price	Earnings	P/E
CGE/France	elect & electron	113⅛	$10.11	11
SmithKline Beecham A/UK	health care prods	11⅜	0.66	17
Schmalbach-Lubera/Germany	packaging	183⅛	9.35	20
Anritsu/Japan	elect & electron	13	0.40	33
Chugai Pharmaceutical/Japan	health care prods	10½	0.22	47

High-Yielding Foreign Stocks

Company/country	Business	Price	Yield	P/E
Hidroelectrica/Spain	utility	4⅜	10.5%	8
Granada/UK	leisure/tourism	3⅛	10.2	5
Universale-Bau/Austria	construction	246¼	9.5	4
Intercom/Belgium	utility	107¾	8.3	11
Transalta Utilities/Canada	utility	10⅜	8.1	12

Note: Data for period ending 10.31.90. Selected stocks have a market capitalization of at least $300 million. [1]EAFE is a price return index of European, Australian, New Zealand and Far Eastern stocks converted into U.S. dollars. [2]Performance numbers reflect both local price change and currency fluctuation. Dividends are reinvested after subtracting foreign withholding tax. [3]Includes Malaysia. NA: Not applicable. Principal source: Morgan Stanley Capital International Perspective. Emerging markets data provided by International Finance Corporation.

ANNUAL REPORT ON AMERICAN INDUSTRY
Performance Yardsticks for 1,177 Companies

JANUARY 7, 1991 FOUR DOLLARS

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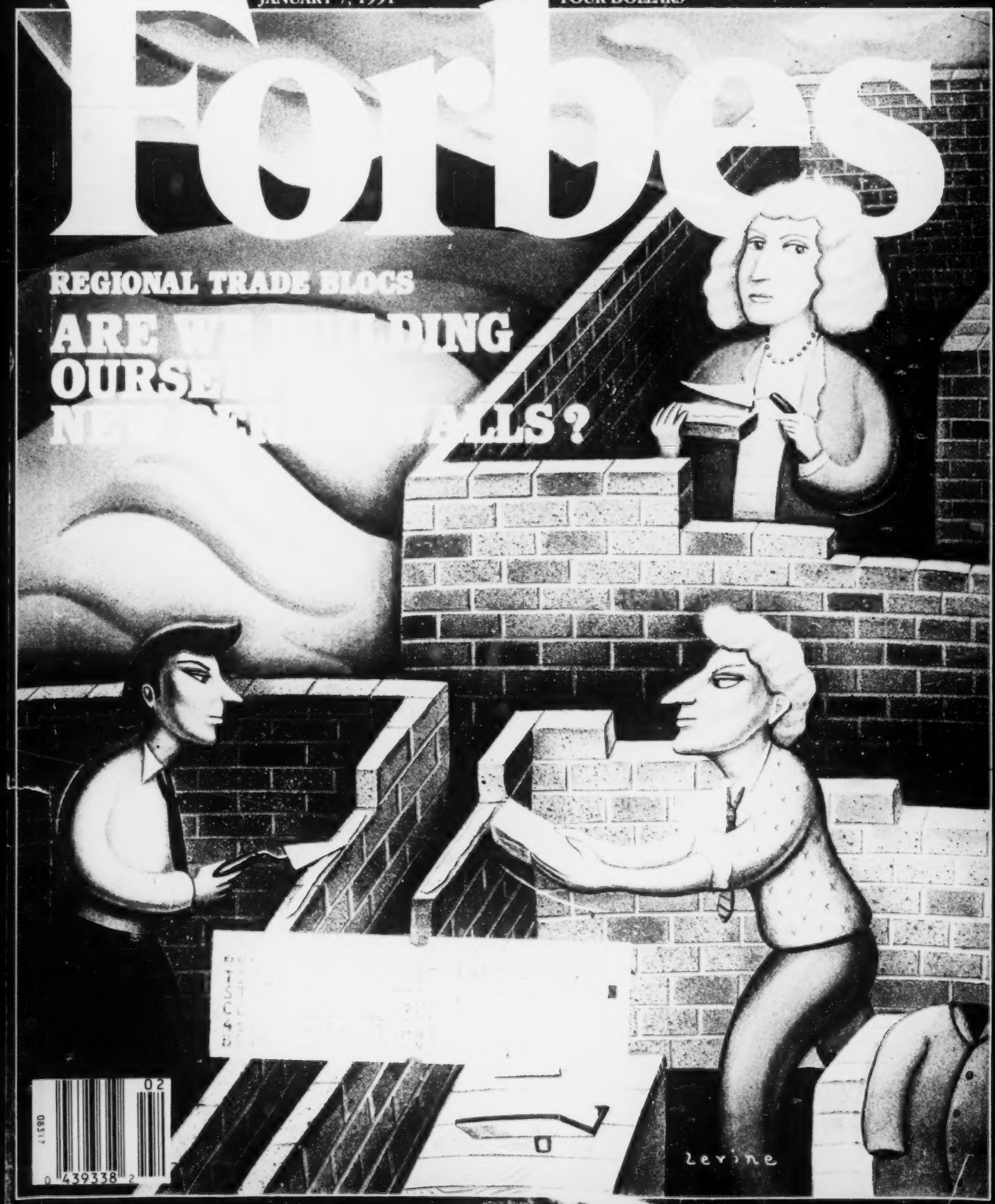

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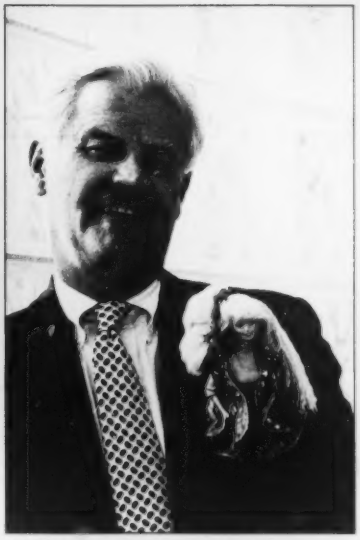

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298 *Bargain time*

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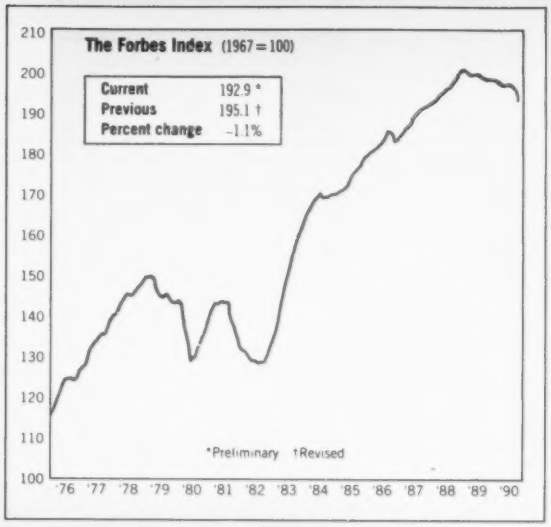

After rising almost steadily in the first eight months of the year, output of the nation's mines, factories and utilities fell for three straight months, including a sharp 1.7% decline in November. The economic slowdown is also visible in the net drop in nonfarm payrolls of 662,000 workers since June. The number of initial unemployment claims in November shot up to its highest level since April 1983. Nearly 6% of the eligible work force is unemployed. November retail sales were 5% higher than they were a year ago, but the inflation-adjusted figure shows no gain.

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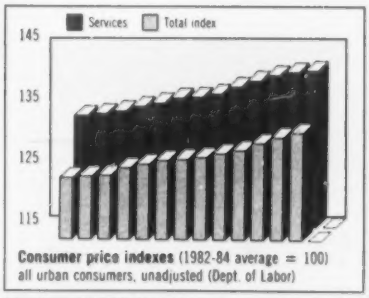

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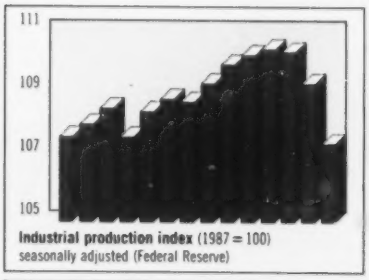

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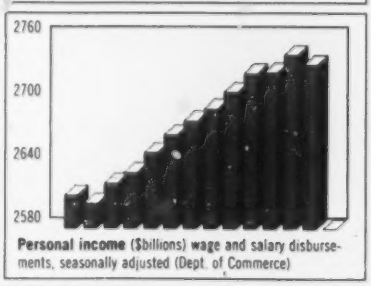

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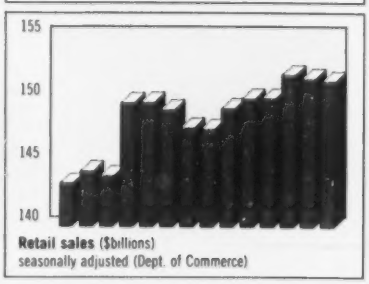


Retail sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

New efforts by insurance regulators to micromanage the private placement business are throttling this vital market.

If in doubt, downgrade it!

By Laura Jereski

JUNK BONDS ARE DEAD. Commercial banks aren't in a lending mood. With the stock market queasy, new equity issues are nearly impossible. So what does a business do that badly needs new capital?

Until recently it could go to the private placement market. That is, it could make a private deal with a large institution. No need for Securities & Exchange Commission registration. The SEC considers such lenders sophisticates who don't need government protection, and, since the issues won't trade, the public is unlikely to be involved. Borrower and lender could deal face to face, without the SEC. Chief lenders were insurance companies.

Private placement leverage and buyout deals were still doing pretty well even after the junk bond market collapsed. Of course, the borrowers had to accept tougher terms and often give up equity to get money, but at least they could get it. The private market—almost all of it debt—ballooned to $168 billion by the end of 1989, up from only $59 billion in 1985. The market held its own well into 1990 (FORBES, *Oct. 1, 1990*).

But now private placements are slowing. Worried by bad publicity about potential insolvencies in the insurance industry, the National Association of Insurance Commissioners has imposed stricter guidelines for placements of debt to insurers. It decreed conservative debt-to-equity ratios and hefty cash flow coverage, for example, for an issue to be considered investment grade. What this association says matters, because it is made up of the state insurance regulators, insurance regulation being a state concern.

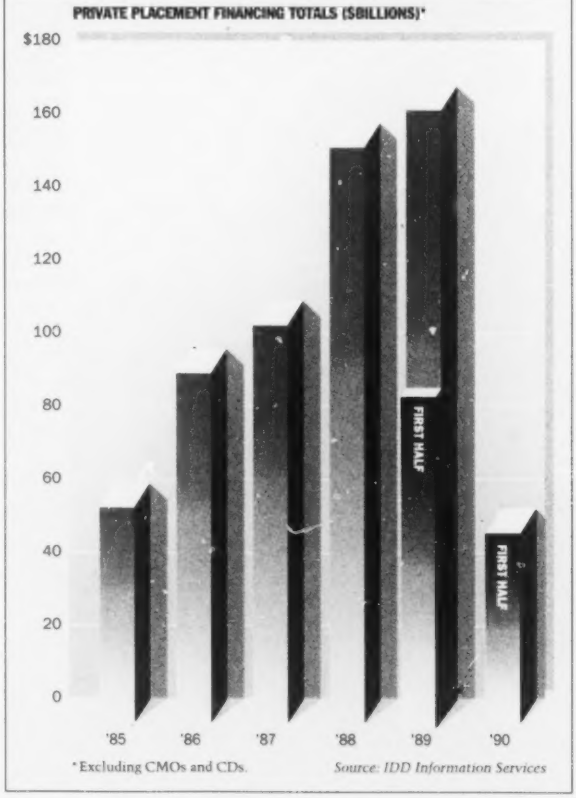
Since the new system was announced last summer, the association's team of eight raters have processed some 40,000 issues in five months—an impossible load. Worse, the issues were assigned for review not by industry or capital structure but by alphabetical order.

With this cursory, pressured scrutiny, the reviewers have gone overboard to be tough. Most cable deals—big borrowers in the private market—were rated below investment grade. Complex secured leasing transactions got bad ratings, too. And borrowers with below-investment-grade public debt got similar ratings for their private paper, even when the private issue was better secured than the hapless junk debt and wrapped in tighter covenants.

What's wrong with setting tough guidelines? Nothing, but there's plenty wrong with guidelines so rigid that investment officers have no leeway. Insurance people point out that the private placement market is the only money forum available to small and medium-size companies, which are considered marginal credits by Standard & Poor's and Moody's. The largest private lenders, like Prudential, which has $34 billion in private placements, have loan offices around the country looking for just that kind of business. Other big private lenders include Cigna, with a $12 billion private portfolio, and Metropolitan Life, with $14 billion. Presumably, the insurance dealmakers can assay the risks and balance them against the potential payoff. But under the new rules, says Nathaniel Coolidge at John Hancock Mutual Life Insurance Co., which has a $10 billion private placement portfolio: "We will be prohibited from providing capital to below investment grade companies."

Overkill?

In the first half of 1990 the private placement market rivaled total volume in 1985—even without big junk bond and ESOP issues. But looming regulations have helped kill all but the highest-grade issues.



*Excluding CMOs and CDs. Source: IDD Information Services

Bad news for small business

Before the new ratings, these insurers were big lenders to small and medium-size firms.

Company	Private portfolios (face value, in billions)
Prudential	$34
Metropolitan Life	14
Cigna	12
Aetna	11
Equitable	10
John Hancock	10
Principal Mutual	9
Travelers	6
New York Life	6
Mass Mutual	5

Sources: Company reports, Forbes estimates

That's already happening. Insurance companies are shying away from all but the highest-grade private issues. "The new rating system has greatly narrowed the market and made it very illiquid and expensive for lower-grade companies," complains Nancy Hawthorne, senior vice president of Continental Cablevision, the $940 million (revenues) system that withdrew its $150 million private issue in early November. Neil Powell of Shea, Paschall & Powell says two clients have opted to withdraw issues, too.

The new rules inhibit lending in yet another way. They require insurance companies to write down 20% against a bigger chunk of their portfolio, because the rules regard the credits as riskier than the insurance companies themselves do. This increases insurance company reserves and puts a crimp on the amount of new business the insurance companies can write.

The insurance companies also worry that the writedowns will make their books look worse than they really are. By mid-November the insurance company complaints started flying. One private lender estimates that he has sent the NAIC complaint letters on the way its examiners rated more than 150 issues, and has gotten satisfactorily revised ratings on about half. But even with these revisions, the ratio of non-investment-grade ratings in some of the larger private portfolios will have doubled, from about 7% of the private portfolios to about 16%.

It's tough being a regulator in times like these. Err on the side of looseness, and you risk getting blamed for insolvencies. Err on the side of rigidity, and you risk restricting capital flows that create jobs and economic activity. ■

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ANNUAL AMERICAN

By Graham Button

OUR 43RD Annual Report on American Industry comes at a time when the news on the domestic front can only be described as sobering—especially for those companies reeling with hangovers from the junk bond era. Corporate defaults are at an alltime high, consumer confidence is at its lowest point since the economy emerged from the 1982 recession, and Saddam Hussein is yet to be dealt with successfully.

So where's the silver lining? As the companies profiled on the pages that follow clearly demonstrate, it is in overseas operations and exports. Despite all the chatter and jabber about lost competitiveness, U.S. exports of manufactured goods totaled $287 billion in 1989—a 70% increase since 1985, according to the National Association of Manufacturers. In the first half of 1990 increased exports accounted for 80% of what slight growth the U.S. economy managed. That's up from just 14% in 1986.

If this trend is to continue, of course, world export markets must remain open. Even that was in question as 1991 began, what with the collapse of the GATT talks *(see cover story, p. 86)*.

One striking example of the growing importance of foreign markets to U.S. companies: Fluor Corp., a leading engineering and construction firm. At home, construction is facing tough times, as total new contracts dropped an estimated 9% in 1990. Fluor, however, saw its earnings grow 35% last year, to $147 million—the fruits of an aggressive overseas expansion led by Vice Chairman Leslie McCraw.

Although export growth slowed in the wake of the Gulf crisis, the slowdown may be short-lived. National Association of Manufacturers economist Gordon Richards expects a new boom in exports to kick in around the second quarter of 1991. The table on page 94 lists our editors' choice of the company in each industry with the best prospects overseas.

On the domestic front, there's cause for concern. Corporate America is having trouble paying off the debts it piled up in the 1980s. Through the 11 months ended in November, 46 nonfinancial U.S. companies defaulted on $12.8 billion of publicly issued S&P-rated debt. That was more than in any previous year and over three times larger than the year-earlier total. Merrill Lynch economist Robert Schwartz reports that in the third quarter of last year interest payments of nonfinancial corporations rose to 28% of cash flow—a postwar record.

Retailing and service-related industries are the most overextended right now. In 1990 alone the retailing group defaulted on approximately $4 billion of debt—over one-third of the year's total corporate defaults, according to Salomon Brothers. The bulk of the retailers' bad credits are from four deals that went rotten: Allied and Federated stores, Revco and Southland.

The boom of the 1980s was fueled, in part, by the jobs created by the service sector. From 1978 to 1988, employment in that sector had almost doubled to 25 million. But it now seems too many jobs were created there. Stephen Roach, of Morgan Stanley, notes that nonmanufacturing productivity dropped 2.5% over the first three quarters of last year, compared with the same period in 1989. That is in stark contrast to the slighter declines at comparable intervals of past business cycles. The overhead built up during the fat years is being slashed as layoffs sweep through banking, insurance, advertising and brokerage firms. But the cost savings will take time to work to the bottom line, and in the meantime the lost jobs will hurt consumer spending. Roach says the current downturn could well become "America's first white-collar recession."

The textbook definition for a recession—two consecutive quarters of declining gross national product—has yet to be satisfied. But the end of easy money and the perception of hard times ahead has already caused a big recession in capital values. Examples:

Illustration by Andrew Christie

REPORT ON INDUSTRY

The most profitable of the giants

Who were the big winners over the last half-decade? Apparel, drug, food and software companies. These 25 corporations—all with revenues over $1 billion—are standouts. Each has a 5-year average return on equity of at least 22% and a 12-month return on equity of at least 20%. All had long-term returns on equity higher than the median company in their industry group and higher than our all-industry median figure of 14.6%. To be listed below, a firm also had to pass other screens for net income, earnings growth and leverage.

		—Return on equity—		—Earnings per share growth rate—					
Company	Chief executive	5-year average	latest 12 mos	5-year average	latest 12 mos	latest 12 mos	1991 est*	Industry	Page
Microsoft	William H Gates III	50.4%	39.5%	56.7%	60.9%	$2.62	$3.12	computers & communications	118
Reebok Intl	Paul B Fireman	45.1	20.2	26.8	16.3	1.50	1.74	consumer nondurables	138
Merck	P Roy Vagelos	44.6	48.9	29.5	20.2	4.35	5.34	health	172
Liz Claiborne	Jerome A Chazen	40.2	31.4	28.0	27.5	2.18	2.61	consumer nondurables	138
Wal-Mart Stores	David D Glass	36.0	29.7	33.3	27.6	1.04	1.43	retailing	184
Marion Merrell Dow	Joseph G Temple Jr	35.8	42.5	20.7	88.8	1.51	1.97	health	172
Limited	Leslie H Wexner	35.4	30.3	26.5	20.1	1.05	1.32	retailing	184
Abbott Laboratories	Duane L Burnham	34.4	34.7	18.6	15.7	2.14	2.57	health	172
Gap	Donald G Fisher	32.8	35.9	44.8	27.8	1.73	2.13	retailing	184
Food Lion	Tom E Smith	32.0	30.5	30.5	27.5	0.51	0.67	retailing	184
Deluxe	Harold V Haverty	30.8	26.6	12.3	12.6	1.97	2.30	business services & supplies	100
CPC International	Charles R Shoemate	26.8	25.7	22.7	13.9	4.68	5.48	food, drink & tobacco	164
NIKE	Philip H Knight	26.8	39.1	47.2	42.3	3.52	4.45	consumer nondurables	138
Walt Disney	Michael D Eisner	26.4	26.7	41.8	17.6	6.00	8.19	entertainment & information	154
HJ Heinz	Anthony J F O'Reilly	25.8	27.1	14.5	13.9	1.97	2.38	food, drink & tobacco	164
Torchmark	Ronald K Richey	25.1	28.8	17.1	19.3	4.33	4.92	insurance	176
Home Depot	Bernard Marcus	25.0	27.5	53.9	45.4	1.26	1.69	retailing	184
H&R Block	Henry W Bloch	24.9	25.4	14.7	19.9	2.29	2.97	financial services	156
Eli Lilly	Richard D Wood	24.8	26.9	13.4	21.6	3.74	4.69	health	172
Waste Management	Dean L Buntrock	24.2	23.7	27.3	20.9	1.42	1.79	business services & supplies	100
Tyco Laboratories	John F Fort	24.2	23.0	22.8	25.4	3.01	3.89	materials	180
Schering-Plough	Robert P Luciano	23.9	27.9	20.1	19.6	2.41	2.96	health	172
Gt Lakes Chemical	Emerson Kampen	23.1	23.0	30.9	13.5	3.87	4.42	chemicals	112
Rubbermaid	Stanley C Gault	22.9	21.8	18.4	17.2	1.77	2.09	consumer durables	130
Albertson's	Warren E McCain	22.7	23.8	20.7	17.4	1.65	1.99	retailing	184

*Figures supplied by Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

American stars abroad

To find out how each of these corporations beat its competitors overseas, see their respective industry survey report on the pages cited below.

Industry	Company	Page
Aerospace & defense	Litton Industries	96
Business services & supplies	Minn Mining & Mfg	100
Capital goods	General Electric	108
Chemicals	Great Lakes Chemical	112
Computers & communications	Compaq Computer	118
Construction	Fluor	126
Consumer durables	General Motors	130
Consumer nondurables	Procter & Gamble	138
Energy	Exxon	148
Entertainment & information	Time Warner	154
Financial services	American Express Intl	156
Food, drink & tobacco	Kellogg	164
Forest products	Crown Cork & Seal	170
Health	Bristol-Myers Squibb	172
Insurance	Chubb	176
Materials	Magma Copper	180
Retailing	Woolworth	184
Transport	Airborne Freight	188
Travel	AMR	190

The Electric utilities are not included above as they do not have a foreign presence. They are surveyed on page 142.

McCaw Cellular, a Wall Street darling of the 1980s, has seen its market capitalization cut by more than 50% since this time last year. At the market's peak, McCaw paid around $350 per potential customer, or "pop," for cellular properties in premium New York and Los Angeles markets. In the last significant cellular deal, Southwestern Bell in October agreed to pay Crowley Cellular just $165 per pop for its properties in Illinois.

The price tag for Donald Trump's 1989 purchase of the Eastern Air Lines shuttle was $365 million. In addition, Trump spent $35 million sprucing it up. The carrier is now rumored to be on the block, and analysts say Trump would be lucky if it brings $250 million.

Remember when William Farley acquired West Point-Pepperell in early 1989 and figured its Cluett, Peabody clothing unit would bring around $700 million? In March, with Farley under pressure to reduce debt, Bidermann S.A. of France bought Cluett for $410 million.

In another sign of tough times, GM, Ford and Chrysler have all been slashing production in response to slack demand. All three are expected to report operating losses for the fourth quarter. This would be the first time since late 1981 that the big three have simultaneously posted losses.

Relative to past slowdowns, however, bloated inventories aren't a problem for automakers and other producers of consumer durables. The Commerce Department reports that the ratio of inventories to sales is near an alltime low. Thanks to computerized just-in-time inventory control systems, U.S. manufacturers have a far better handle on inventories than they did a decade ago.

Our industry reports, which begin on page 96, make it clear that the economic slowdown—though it became obvious only in October—will be clearly reflected in the 1990 results. Latest median 12-month return on equity for the 1,150 (not including biotechnology) companies covered fell from 14.4% to 12.1%. Yet not every company is the same. Our report is an account of how companies are coping with volatile energy prices, new environmental regulation and changing markets. Or not coping.

This year's total of 1,177 companies covered is up from 1,150 one year ago. Corporations are ranked against their immediate competitors, firms in related industry groups and against all other companies. Our universe of corporations is ranked on profitability (page 224) and growth (page 194), while our stock market analysis starts on page 204. Rules and other explanations appear on page 95.

The table on page 93 lists America's 25 most profitable big companies—all billion-dollar outfits that have maintained long-term profitability and growth rates more typical of dynamic startups than major corporations.

And the top 25 aren't entirely alone. In this issue we are spotlighting other stars: At the top of each industry report we list the corporations in each group with the best five-year profitability and growth rates. The best of these are not rendered complacent by their success but energized by it. They are showing the world that obituaries for American competitiveness are decidedly premature. ■

HOW WE CALCULATE THE RESULTS

Company	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity				Sales		Earnings per share				
	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %

Profitability

We calculate return on equity by taking primary earnings per share and dividing it by common shareholders' equity per share at the start of the fiscal year. In calculating common equity, FORBES assumes the conversion of all convertible preferred stock. We subtract the liquidation value of nonconvertible preferred shares from total stockholders' equity. In calculating earnings per share, we include gains or losses from discontinued operations but exclude extraordinary items.

The five-year average return on equity is calculated with a modified version of the sum-of-the-years digits method. This technique gives greater weight to most-recent results. For years in which a firm lost money but still had positive equity, we calculate the percentage lost on equity and factor this result into our equation. Companies were penalized for years in which they had a negative equity. Note: In calculating long-term results, if a company shows a return on equity over 100% in a given year, our computers automatically scaled back this value to 100%.

For return on capital, we divide aftertax profits, the amount remaining if the interest paid on long-term debt was taxed, and minority interest by a firm's total capitalization. Except for electric utilities, most firms do not report interest expense on long-term debt. In such cases FORBES estimates this figure for the latest 12-month reporting period. We assume a 34% corporate tax rate to compute the tax break derived from the interest expense. Total capitalization is defined as long-term debt, common and preferred equity, deferred taxes, investment tax credits and minority interest in consolidated subsidiaries.

Growth rates

We used the least-squares method to calculate sales and earnings growth rates. This equation adjusts for sharp fluctuations and comes up with a result that closely reflects the average rate of growth. Example: During a four-year period, a firm's earnings go from 50 cents to $1.25, then to $2.50 and finally to $2.75 in the last year. That's a 150% jump from the first year to the second year, a 100% increase in the third and a 10% rise in the fourth year. Least-squares says that on average, earnings grew by 78.7% (0.50 x 1.787 x 1.787 x 1.787). If you work out the math, you will get $2.85 rather than $2.75 in the final year. That's because the regression formula finds an answer that best fits the year-to-year change for all four years, not just between the first and last years.

There are limitations to the least-squares equation. It cannot handle negative values. If earnings are negative at the start of the period, FORBES calculates the growth rate for a shorter length of time, beginning with the first positive year. Of course, some companies lost money during the middle of the measuring period. In such cases we dropped the year from our calculation and measured the growth rate over the remaining positive periods. Our assumption: the brief losses were not representative of long-term performance. However, if the company lost money in more than one year, a five-year growth rate is not calculated and the result is listed as not meaningful (NM).

Some growth rates do not make sense. When earnings go from $2.50 in the first year to 1 cent in the second year, $4.50 the third year and 25 cents in the fourth year, the resulting growth rate, –7.7%, does a miserable job of describing the year-to-year changes. Our computers marked such wildly fluctuating earnings patterns as not meaningful.

Time periods

The five-year growth rates shown in this issue for both sales and profits require six years' worth of data. For companies with fiscal years ending in April through December, growth rates are based on the fiscal years through 1989. For companies with fiscal years ending in January through March, the fiscal years through 1990 are used. All growth rates covering a period of less than five years are footnoted. When the range of available data is less than four years, the growth rate is marked NA (not available).

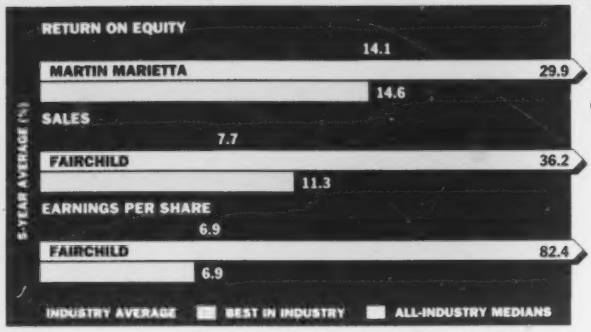
Latest 12-month comparisons are between the most recent four quarters and the same four quarters in the previous year. Sales, net income and profit margin are measured over the latest 12 months. Debt as a percentage of total capital is based on the latest balance sheet.

Definitions

FORBES defines sales as net sales plus other operating revenue. For banks, sales is total interest income plus other income. Insurance company sales include income from premiums earned as well as net investment income and other income. Debt as a percentage of capital is defined as long-term debt, including capitalized leases, divided by total capitalization.

The medians for all companies are calculated by listing the companies in rank order and selecting the value of the middle company. If there is an even number of companies, the median is arrived at by averaging the data on the two middle firms. The all-industry median is based on the median of the 20 individual industry medians. All companies except those marked NA are ranked in calculating the industry median.

AEROSPACE & DEFENSE



The record demand for airliners will no longer be able to mask the cuts in defense spending.

By Howard Banks

THE WORLDWIDE ORDERING BOOM for commercial airliners continued during 1990, taking even insiders like Boeing Chairman Frank Shrontz by surprise. Boeing's civil backlog is now an astonishing $103 billion, up from $85 billion in 1989 and nearly double the 1988 level. The world's largest passenger jet manufacturer also launched its new widebody 777 airliner during the year with a firm order for 40 aircraft from United Airlines.

McDonnell Douglas has benefited, too, with a doubling in its airliner backlog to around $50 billion. Last December it

Aerospace & defense	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Teledyne	60.9a	24.1	13.9	48.1	0.8	-4.9	9.0a	-38.1	3,449	107	3.1
Martin Marietta	29.9	25.3	15.7	20.3	8.4	8.5	11.3a	38.7	6,191	344	5.6
Raytheon	24.2	22.7	22.4	1.6	8.0	3.4	21.1	6.9	9,056	551	6.1
Precision Castparts	23.0	12.9	11.3	8.7	27.3	10.8	29.4	0.0	495	30	6.0
Rockwell Intl	22.1	16.1	12.5	9.4	4.7	-1.1	12.7	-10.8	12,379	624	5.0
Fairchild	21.8	11.2	8.5	71.7	36.2	33.6	82.4	-15.1	666	14	2.1
General Electric	19.0	20.5	12.7	41.8	12.7	6.4	11.3	13.4	57,361	4,237	7.4
Lockheed	18.7	4.9	4.6	36.8	4.1	1.8	15.0	-44.1	10,021	127	1.3
General Dynamics	18.5	1.6	2.4	27.3	5.2	2.6	-3.2	-85.3	10,210	35	0.3
Loral	18.2	13.9	10.3	39.0	22.6	21.9	13.4	-5.1	1,421	80	5.6
Sequa	18.0	8.5	6.5	54.6	22.7	19.8	NM	-9.6	2,200	57	2.6
TRW	17.4	13.0	8.9	31.6	4.6	12.5	6.0b	-10.3	8,022	230	2.9
E-Systems	16.8	14.7	12.8	14.6	14.8	11.9	8.3	3.1	1,769	83	4.7
AAR Corp	15.1	14.2	10.9	23.8	17.7	6.4	28.1	-1.2	452	26	5.7
GenCorp	15.0	18.0	10.6	68.5	-10.2	-7.0	43.7	-88.5	1,801	29	1.6
Thiokol	14.5	17.2	10.2	34.9	8.7	4.4	-7.1	143.6	1,206	44	3.7
Litton Industries	14.1	13.3	8.9	41.9	1.7	3.2	NM	2.8	5,170	175	3.4
Allied-Signal	13.3	14.1	10.9	30.9	3.7	3.1	NM	-4.3	12,258	470	3.8
Textron	13.0	10.7	7.5	69.9	23.6	6.3	10.6	4.3	7,797	282	3.6
Kaman	12.7	10.7	8.3	39.1	9.4	3.6	-7.6	137.8	817	20	2.4
United Technologies	12.6	14.6	12.2	20.9	4.5	7.5	9.5	18.7	21,007	766	3.7
Boeing	12.5	18.7	17.4	4.0	12.0	25.3	-3.2	48.1	25,427	1,144	4.5
Rohr Industries	11.2	3.8	5.1	51.2	11.9	10.5	-8.7	11.1	1,165	16	1.4
Hexcel	9.8	0.3	2.2	43.8	18.2	1.2	NM	-96.9	420	0	0.1
Sundstrand	8.6	19.4	12.4	23.5	7.4	1.3	NM	68.7	1,599	111	7.0
UNC	8.6	def	2.8	58.2	7.3	-15.2	NA	P-D	385	-2	def
SPS Technologies	8.4	0.6	2.1	32.8	11.0	-1.2	6.7	-94.4	427	1	0.3
McDonnell Douglas	8.2	11.1	8.6	46.4	8.8	9.1	-24.8	192.4	16,420	367	2.2
Grumman	8.0	9.7	8.1	48.8	5.7	1.8	-9.1	9.5	3,735	84	2.2
Talley Industries	6.8	5.4	5.2	59.3	5.1	2.6	7.2	-68.1	392	8	2.1
GM Hughes Electronics	3.4a	2.0	8.9	3.0	5.4	1.7	10.7	-6.3	11,485	713	6.2
Northrop	1.1	15.3	11.3	34.0	6.6	-6.3	NM	D-P	5,294	134	2.5
Wyman-Gordon	0.5	def	0.6	22.3	-5.0	15.7	NM	D-D	392	-1	def
ESCO Electronics	NA	0.7	1.6	3.5	5.2a	-10.2	NA	-73.1	538	3	0.6
Industry medians	**14.1**	**13.0**	**8.9**	**34.5**	**7.7**	**3.5**	**6.9**	**-2.8**	**2,825**	**84**	**3.0**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**-2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

delivered its first MD-11 widebody, to Finnair. On the military side, the St. Louis-based company has serious performance problems, and a potentially massive cost overrun with its joint contract with General Dynamics to develop the Navy's A-12 Stealth attack plane. Meanwhile, McDonnell's long-running contracts to build the F-15 and F-18 fighters and the Marines' AV-8B jumpjet are beginning to run down.

In all, $31 billion worth of U.S.-built airliners were delivered in 1990. That's more than a 40% increase over 1989. This helps explain why the return on equity in aerospace, despite declining military business, slipped only slightly from 13.4% to 13% for the latest 12-month period.

Defense deliveries in 1990 of less than $57 billion represent a 9% decrease over the 1987 peak. The Aerospace Industries Association forecasts deliveries to fall another 15% in 1991. Most of the cutbacks will be achieved by delays in program timetables (even though this adds to costs) rather than cancelations. Meanwhile, shipments of space equipment to NASA are expected to increase from nearly $12 billion to $13.5 billion in 1991. A presidential panel, headed by Norman Augustine of Martin Marietta, supports higher funding but recommends a shift away from the Shuttle and toward unmanned rockets.

The Persian Gulf dispute is unlikely to generate much new U.S. business for suppliers. (Congress will decide how much U.S. companies can cash in on the flood of new orders anticipated from Mideast countries.) One likely exception is a fleet of badly needed fast-transport ships for the U.S. Navy. The Ingalls shipyard subsidiary of Litton Industries is a major contender for this business.

Although many defense suppliers, such as Lockheed, TRW, McDonnell Douglas, General Dynamics and Martin Marietta, have had some layoffs, there have yet to be any of the anticipated program cancelations and consequent plant closings. A lot will turn in 1991 on whether new programs like the A-12 and the Air Force's Advanced Tactical Fighter move ahead as planned or fall afoul of the anticipated 9% budget cut in real defense spending. ■

The best defense is a foreign offense

While the U.S. aerospace industry is by far the largest nonfarm exporter, few U.S. defense contractors actually own manufacturing subsidiaries abroad. Beverly Hills, Calif.-based Litton Industries is a major exception. Its advanced electronics group's foreign operations now account for approximately one-quarter of its total sales ($5.2 billion in 1990).

Litton now has four overseas aerospace subsidiaries. The first three, in Canada, Germany and Italy, were set up in the 1960s to supply avionics for the Lockheed F104 fighters sold to those countries. Rather than license local firms, and create potential competition, Litton kept the technology in-house. The fourth subsidiary, in South Korea, was created after President Jimmy Carter threatened to pull U.S. troops out of that country. Litton moved in to retain access to a growing defense market in Korea and neighboring countries.

Joseph Caligiuri, 62, executive vice president in charge of international operations, says of Litton's foreign offshoots: "They are profitable and have been growing faster than our operations here in the U.S."

Where there are no restrictions imposed by the Department of Defense or by foreign governments, technology flows back and forth between the U.S. and Litton's foreign facilities. "It's easier for us since we're giving it to ourselves," explains Caligiuri. "Our advanced microelectronics operation in South Korea is, for example, 100% owned; that's rare there, and probably the most technically advanced in that country."

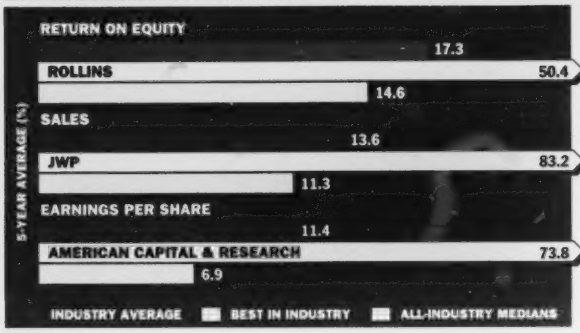
Where it is more acceptable, Litton's foreign subsidiaries are aggressively local in their behavior. "Our German company, for example, is German for all intents and purposes," says Caligiuri. By this means, Litton's advanced inertial navigation and other avionics are on the European Tornado strike bombers now in service in the Persian Gulf. This bomber program excluded all-American suppliers. Equipment sourced by Litton's European affiliates is used on other exclusively European helicopter and trainer programs, and on several Airbus models. In addition, Litton's European subsidiaries are scheduled suppliers of a number of avionics contracts including the main navigation computer, for a proposed European fighter.

Thanks to its international diversity, Litton is now in 300 separate defense programs—a deliberate policy so that a cancelation of one project won't kill the company. Notes Caligiuri: "We know that competition for defense work is going to get tougher worldwide. We're fortunate to have our overseas operations. Without them over there I don't know what we would do."—H.B.

Steve Smith/Onyx

Joseph Caligiuri of Litton Industries

BUSINESS SERVICES & SUPPLIES



Fumbled diversification efforts, sagging balance sheets and other problems finally hit the service industry.

By Jason Zweig

AFTER SPRINTING THROUGH THE 1980s, the service industry hit a wall in 1990. Just a year ago these firms that do everything from selling paper clips to hauling toxic waste surpassed FORBES' all-industry medians in return on equity, sales and earnings growth. Last year their five-year earnings growth was 60% higher than that of U.S. industry as a whole.

But in the last four quarters profits fell 13%, against a 2.6% decline for business overall. What went wrong? Some firms ended the 1980s with jumbled diversification efforts and sagging balance sheets. Ecolab added to its industrial cleaning base by paying $376 million for a lawn care unit in 1987. Since late 1989 it has sold a 19% stake to Germany's Henkel KGaA. Solid waste collector Browning-Ferris Industries got into hazardous waste disposal by buying Cecos International and ended up with a $295 million aftertax writedown in 1990.

The pot of gold at the end of the environmental rainbow is elusive. In 1989 and 1990 at least 19 environmental service outfits went public. But there are simply too many companies competing for too little business taking too long to develop.

Another iffy fad: office products chains. The office equipment and supplies market should grow just 7% in 1991, but a half-dozen firms—including Office Club, Staples and BizMart, none big enough yet for our tables—went public in 1989 and 1990, all planning giant discount outlets for legal pads, calculators and paper clips. They are struggling to expand past their regional strongholds. The competition has not helped established firms like United Stationers, whose latest 12-month profits fell 48%; by December its stock was off 50%.

Looking ahead, recent shakeouts might help some firms.

Making the world stick together

Layne Kennedy

Allen Jacobson of 3M

The best defense of your home business is to compete with your competitors on their home ground," says Minnesota Mining & Manufacturing Chairman Allen Jacobson. "Don't sit here in North America and let them surprise you." Such thinking has kept 3M strong and innovative through good times and bad. Today 3M makes tapes, office products, medical equipment and chemicals in 41 foreign countries and sells in 53.

3M gets 47% of sales and 43% of profits from abroad. Jacobson says 3M makes 70% of its foreign-produced goods where they are sold. That exposes 3M to the vagaries of the dollar but shields it from almost anything but world recession.

Jacobson, 64, upholds 3M's "make a little, sell a little" ideal: 3M will wait "a generation" for a foreign business to succeed. After 25 years in Japan, 3M grosses $1 billion in that "closed" market. Some Japanese Post-it Notes are long and thin, so each person in the consensual management chain can write on them.

Of 3M's 38,000 overseas employees, 160 are Americans. "You don't try to run them [foreign subsidiaries] from the U.S.," says Jacobson. Some 75% of 3M's 36-member management committee has spent at least one year abroad. In the 1974-75 recession Jacobson helped run 3M's European and Canadian operations.

Using its 60,000 products to enter foreign markets, 3M also invents for local needs. Such products can be recycled for the U.S. Jacobson has high hopes for an inhaler for asthma patients, developed by 3M's European labs, and tape that can bind auto parts, invented by 3M in Germany.

Having the world at its disposal has other advantages. For example, 3M makes tape for disposable diapers in the U.S.—a market threatened by environmentalists. If cloth diapers and safety pins come back, 3M is ready: Its Brazilian unit has created a paper tape to replace safety pins. Now that's coverage.—J.Z.

Nashua, the photo finisher and paper supplier, sold an international office supplies operation for $202 million. PHH, a leasing and relocation firm, took a $14 million hit to ditch its facilities management unit. Xerox finally dumped its mismatched Crum & Forster insurance unit. And Avery International and Dennison Manufacturing merged in a stock swap, forming a $2.5 billion (sales) office products maker, Avery Dennison Corp.

Weak links: AM International, the graphics equipment maker, is struggling. Computer services firm Anacomp restructured $400 million in acquisition debt. National Education settled a barrage of lawsuits over its financial reporting at a net cost of $12 million. Volt Information Sciences, a technical services firm, reduced debt but kept losing money.

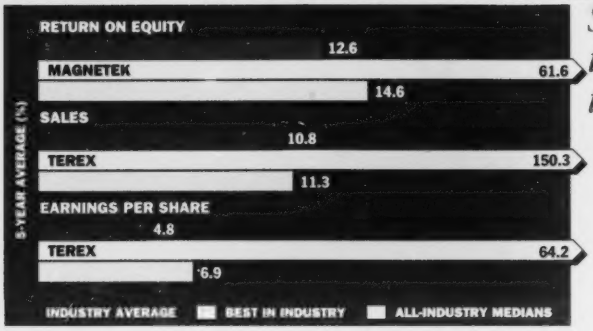
Service firms make money by saving money for other businesses, so a recession could help the stronger companies—like Kelly Services, Waste Management, JWP and Ogden—in this industry. But it could also kill the weaklings. ■

Business services & supplies	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Business services											
Rollins	**50.4**	37.3	28.0	0.0	**8.6**	7.7	**9.8**	16.3	426	27	6.4
Kelly Services	**31.6**	25.2	25.2	0.0	**13.2**	8.3	**22.7**	3.9	1,460	71	4.9
Olsten	**24.7**	17.4	12.8	34.8	**22.7**	4.6	**26.8**	–16.1	603	16	2.7
Pinkerton	**21.2**a	31.1	15.4	56.7	**33.9**a	NA	**NM**	NA	589	8	1.4
Adia Services	**18.2**	10.8	10.7	8.1	**29.0**	13.2	**25.7**	–15.3	657	18	2.7
Wackenhut	**15.4**	19.7	11.0	52.7	**10.7**	14.4	**NM**	22.9	508	7	1.3
PHH	**13.4**	10.4	6.9	60.7	**28.7**	9.1	**NM**	–27.0	1,977	38	1.9
American Building	**10.3**	13.6	11.7	20.7	**11.2**	6.7	**NM**	11.1	668	9	1.4
National Education	**10.3**	def	def	30.2	**23.4**	–12.6	**NM**	P-D	380	–44	def
Volt Info Sciences	**1.6**	1.7	4.9	52.2	**5.3**	9.3	**NM**	–49.0	514	2	0.3
Medians	**16.8**	**15.5**	**11.4**	**32.5**	**17.9**	**8.3**	**NM**	**–15.3**	**596**	**13**	**1.7**
Business supplies											
Deluxe	**30.8**	26.6	24.7	1.3	**14.4**	7.1	**12.3**	12.6	1,383	167	12.1
HON Industries	**22.7**	24.3	18.2	23.5	**7.5**	13.2	**14.7**	–29.6	656	30	4.6
Minn Mining & Mfg	**21.6**	22.1	20.2	3.6	**9.6**	9.3	**14.6**	6.9	12,695	1,305	10.3
Alco Standard	**20.2**	17.3	14.2	34.4	**2.3**	4.4	**23.8**	–35.0	4,320	106	2.5
Comdisco	**19.8**	15.3	11.9	55.3	**26.9**	15.3	**NM**	–18.7	1,935	85	4.4
Pitney Bowes	**19.6**	9.9	6.4	37.9	**11.5**	11.8	**9.3**	–44.9	3,142	141	4.5
Herman Miller	**19.5**	16.2	13.9	20.7	**14.0**	10.3	**6.6**	14.5	892	49	5.5
Interface	**19.0**	16.3	9.8	58.0	**43.4**	4.9	**30.6**	12.0	608	26	4.2
Wallace Computer Svs	**17.3**	16.1	14.2	6.3	**11.9**	4.6	**12.5**	5.7	449	40	8.8
Reynolds & Reynolds	**17.0**	19.8	8.7	30.9	**18.1**	–1.1	**NM**	–9.1	595	24	4.1
United Stationers	**16.3**	7.5	6.6	27.7	**16.9**	2.5	**10.5**	–48.1	993	13	1.3
Standard Register	**15.6**	12.1	10.7	11.3	**12.6**	0.9	**6.4**	–2.3	715	39	5.4
Moore Corp	**15.0**	10.6	9.8	3.4	**6.4**	6.0	**10.2**	–25.7	2,815	153	5.4
Avery Dennison	**13.4**a	10.7	9.2	17.6	**11.9**a	NA	**21.6**a	NA	2,531	98	3.9
Nashua	**12.7**	10.9	9.6	7.6	**NM**	–13.4	**6.7**	19.9	581	23	4.0
Mine Safety Appliance	**11.4**	11.8	10.1	7.7	**0.9**	10.3	**NM**	7.7	456	29	6.4
Diebold	**10.3**	7.6	7.3	0.8	**NM**	3.6	**–6.1**	–16.8	475	29	6.1
Xerox	**10.1**	2.2	5.3	45.9	**9.7**	3.3	**13.3**	–62.4	17,940	220	1.2
AM International	**1.4**	def	def	30.8	**9.5**	3.1	**NM**	P-D	877	–42	def
Anacomp	**def**	NE	def	109.8	**45.3**	3.1	**NM**	P-D	646	–164	def
Savin	**def**	def	def	57.7	**–3.3**	0.8	**NM**	D-D	365	–9	def
Smith Corona	**NA**	NA	NA	53.2	**17.8**b	–14.7	**NA**	–41.2	438	23	5.3
Medians	**16.3**	**11.8**	**9.8**	**25.6**	**11.7**	**4.4**	**9.3**	**–18.7**	**796**	**35**	**4.5**
Industrial services											
CDI	**25.8**	13.3	9.1	41.8	**18.9**	9.0	**24.3**	–32.4	932	14	1.5
Browning-Ferris Inds	**24.3**	def	0.1	47.9	**21.0**	16.3	**22.2**	P-D	2,967	–45	def
Waste Management	**24.2**	23.7	15.3	31.8	**28.5**	27.8	**27.3**	20.9	5,415	667	12.3
JWP	**24.2**	26.8	12.9	49.2	**83.2**	74.2	**51.2**	25.1	2,608	55	2.1
Safety-Kleen	**23.1**	19.2	13.0	35.2	**21.8**	20.5	**18.1**	9.6	551	51	9.2
Ecolab	**18.0**	3.4	4.6	32.7	**23.4**	7.4	**18.0**	–56.7	1,371	17	1.3
Figgie Intl	**17.6**	16.8	9.3	50.2	**13.1**	0.2	**23.6**	–7.1	1,342	49	3.7
Ogden	**16.4**	15.3	5.4	75.6	**NM**	19.8	**–15.0**b	–10.3	1,560	69	4.4
Millipore	**15.6**	13.3	11.3	19.0	**15.9**	4.1	**13.7**	3.2	683	54	7.9
CRSS	**7.9**	14.6	13.8	32.8	**14.7**	–18.5	**30.9**	–10.7	490	17	3.4
Air & Water Tech	**NA**	def	6.3	48.3	**12.0**a	–4.2	**NA**	D-D	582	–1	def
American Cap & Res	**NA**	17.4	13.6	54.0	**76.7**	29.3	**73.8**	12.5	543	11	2.1
Medians	**20.6**	**14.9**	**10.3**	**44.8**	**20.0**	**12.7**	**23.6**	**–8.7**	**1,137**	**33**	**2.8**
Industry medians	**17.3**	**13.6**	**10.1**	**32.7**	**13.6**	**6.9**	**11.4**	**–13.0**	**676**	**28**	**3.8**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

CAPITAL GOODS



Soft markets are hurting some of these manufacturers. Others in this industry are doing just fine.

By Zina Sawaya

THE AGGREGATE STATISTICS show a troubled capital goods industry. This crucial sector had to cope with only a 2% increase in overall U.S. capital spending last year, against a 7% gain in 1989. This sharp drop in orders has squeezed profits, especially for heavy equipment manufacturers.

Companies servicing the construction, automotive and defense industries are experiencing slower sales and earnings growth. At Caterpillar, earnings are going to be substantially lower in 1990 because of sluggish residential and commercial construction. Sudbury, which makes car and truck parts, has been particularly hit by the slowdown in the auto sector.

But this gloom and doom picture doesn't fit all the groups

Capital goods	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Electrical equipment											
MagneTek	**61.6**	28.9	12.0	71.8	**47.3**	11.4	**85.9**b	43.1	1,083	34	3.2
Westinghouse	**23.6**	22.3	13.2	48.8	**3.5**	0.2	**21.3**	14.3	12,863	987	7.7
Hubbell	**19.9**	19.5	18.4	1.6	**6.9**	10.6	**12.7**	9.7	718	85	11.8
Emerson Electric	**19.8**	19.9	18.7	12.7	**11.9**	7.1	**8.9**	4.6	7,573	613	8.1
General Electric	**19.0**	20.5	12.7	41.8	**12.7**	6.4	**11.3**	13.4	57,361	4,237	7.4
WW Grainger	**17.6**	17.0	15.8	0.2	**10.8**	13.9	**13.7**	10.9	1,895	125	6.6
Willcox & Gibbs	**17.5**	11.9	8.2	42.0	**20.8**	9.1	**20.1**	–23.5	563	13	2.3
National Service	**16.9**	16.2	13.7	3.4	**7.0**	7.0	**8.7**	5.2	1,648	100	6.1
Square D	**16.7**	17.6	11.3	12.1	**4.6**	–2.8	**4.7**	–9.5	1,617	105	6.5
Federal Signal	**16.7**	22.3	19.4	9.1	**10.1**	7.4	**20.7**	33.5	435	29	6.7
Raychem	**13.8**	def	def	4.0	**13.2**	6.9	**10.2**	P-D	1,165	–113	def
Imo Industries	**8.4**	7.9	7.5	53.0	**17.5**	34.1	**NM**	–20.1	1,028	26	2.5
Honeywell	**7.7**	34.1	27.6	25.3	**NM**	–2.1	**NM**	D-P	6,246	665	10.6
MLX	**def**	def	def	85.2	**NM**	1.6	**NM**	P-D	462	–18	def
Genlyte Group	**NA**	20.3	9.3	67.8	**7.5**	0.3	**4.1**	–13.2	508	10	2.0
Medians	**17.2**	**19.5**	**12.7**	**25.3**	**10.1**	**7.0**	**10.2**	**5.2**	**1,165**	**85**	**6.5**
Heavy equipment											
Terex	**31.6**	23.0	9.6	70.3	**150.3**	84.9	**64.2**	9.3	1,098	19	1.8
Nacco Industries	**21.3**	16.8	8.5	66.4	**13.7**	45.2	**16.5**	14.7	1,380	51	3.7
Illinois Tool Works	**20.8**	20.3	15.4	29.3	**35.3**	15.4	**30.5**	11.9	2,427	178	7.3
Ametek	**20.3**	18.9	10.4	48.9	**13.9**	14.5	**4.9**	2.5	644	36	5.7
Dover	**19.1**	21.1	19.4	2.8	**10.5**	4.9	**12.3**	11.9	2,184	156	7.1
Crane	**18.1**	21.0	15.0	27.3	**15.3**	0.0	**22.0**	43.8	1,452	60	4.2
Stewart & Stevenson	**17.5**	18.9	17.3	17.9	**19.7**	13.3	**NM**	–1.3	635	29	4.6
Sudbury	**17.2**	0.0	3.9	65.9	**61.1**	–14.4	**NM**	D-Z	440	1	0.2
Applied Power	**16.8**	21.5	12.1	55.1	**19.7**	80.9	**49.0**	–2.0	445	20	4.4
Stanley Works	**15.7**	14.7	11.6	26.5	**13.0**	2.1	**9.0**	0.8	1,987	114	5.7
LB Foster	**15.4**	4.0	4.2	4.6	**–10.5**	–2.1	**NM**	–45.7	240	2	0.8
Lincoln Electric	**13.3**	12.8	10.3	9.0	**14.3**	12.7	**17.7**	–13.7	738	32	4.3
Donaldson	**13.1**	16.6	15.9	7.9	**9.9**	6.4	**11.2**	34.0	423	21	5.0
Parker Hannifin	**13.1**	12.1	9.9	29.8	**14.3**	0.0	**2.9**	15.6	2,496	116	4.6
Cooper Industries	**13.1**	12.0	9.2	33.6	**17.6**	23.2	**18.0**	11.0	6,003	342	5.7

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. D-Z: Deficit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful.
a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

The electric company

It took two tries, but General Electric finally got what it wanted: most of Thorn EMI's European lighting business, for $138 million. GE will also benefit from Thorn's strength in fixtures, which will complement its own depth in lighting. The acquisition turned GE into the world's second-largest lighting manufacturer (after N.V. Philips).

General Electric's strategy is to be a global leader in its key businesses such as aerospace, jet engines, automation, plastics, lighting, appliances and financial services. "We want to be a major player," says Lawrence Bossidy, GE's vice chairman. Bossidy, 55, is responsible for GE's international business policy. Indeed, through acquisitions and joint ventures, GE now has manufacturing facilities in 19 countries, enabling it to efficiently service its local markets.

Claudio Edinger/Gamma Liaison

Laurence Bossidy of GE

GE has always been a leading exporter. But prior to 1986 it had limited operations outside the U.S. The main exceptions were a plastics plant in the Netherlands and a joint venture with Snecma of France to make jet engines. With next year's integration of the European market and the opening of Eastern Europe, GE went on a shopping spree.

Since 1987 GE made over 15 acquisitions and joint ventures, mostly with European companies that had a global presence. Its 1989 venture with Ericsson of Sweden, for instance, made it a leading supplier of cellular telephones. That year it joined with GEC of the U.K. to make appliances and acquired 50% of the Hungarian lighting company Tungsram.

In 1987 GE formed a venture with Fanuc of Japan to make automation equipment, and in 1988 GE Lighting teamed up with Toshiba.

GE is looking for alliances in the Soviet Union to make medical equipment. Already, GE has more than $100 million in sales in that country, mostly plastics and gas turbines. In 1989 GE's foreign revenues amounted to $14 billion, a 67% increase since 1986. Foreign operating income now contributes 40% of total operating profits.

As it expands internationally, GE is adopting a new policy of training and promoting foreign nationals instead of relying on expatriate U.S. managers. Says Bossidy: "We want to have global brains and local faces."—Z.S.

WHO CREATED THESE PERSONAL COMPUTER FIRSTS?

The first mass-produced, mass-marketed PC

The first portable PC

The first laptop PC

The first highly-integrated PC compatible with software included

The first Micro Channel™ compatible PC

The first handwriting recognition pad

The first PC mini-towers

The first *home* PC compatible with integrated hardware and software

Micro Channel TM IBM Corp

in this sector. A weak dollar stimulated exports of some capital goods. Electrical equipment companies like Magne-Tek and Federal Signal reported significant earnings gains. Profits are also healthy for companies supplying the aerospace, telecommunications, power generation and oil and gas sectors.

General Electric is benefiting from a strong demand for commercial jet engines. Hubbell's telecommunications business was up 20% over last year. Deere & Co. is prospering on a rebound in demand for agricultural equipment.

Defense spending was flat in 1990 and domestic defense spending was budgeted for further cutbacks, which will affect smaller defense suppliers more than the large contractors covered in this issue. But all that could change as the crisis in

Capital goods	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Tecumseh Products	12.8	4.5	4.4	3.4	10.7	-2.0	4.7	-62.2	1,392	31	2.2
Ingersoll-Rand	12.6	14.6	11.8	13.8	5.9	8.7	26.9	6.6	3,664	204	5.6
Thermo Electron	12.3	13.1	9.6	36.1	20.6	14.2	23.2	22.5	654	32	4.8
Kennametal	12.1	15.0	12.2	22.8	7.6	22.0	22.2	6.1	605	33	5.4
Zurn Industries	12.1	12.3	11.6	4.9	10.7	17.9	10.1	5.1	655	28	4.3
Trinova	11.9	9.8	8.6	22.3	NM	0.1	-8.6	80.4	1,965	61	3.1
Caterpillar	11.4	6.8	6.2	34.3	12.3	3.8	46.8a	-44.7	11,441	306	2.7
Trinity Industries	11.3	9.7	6.8	44.4	25.8	5.6	NM	-42.3	1,285	28	2.2
Tenneco	10.5	19.1	9.5	53.1	-2.0	5.3	NM	-29.4	14,519	636	4.4
Interlake	10.1	NE	3.1	150.7	1.9	-12.2	8.8	P-D	822	-18	def
Bearings	10.0	6.9	6.5	0.0	5.7	8.9	18.0	-49.6	701	9	1.3
General Signal	9.4	5.3	5.9	43.8	NM	-7.8	NM	-62.0	1,756	27	1.5
Goulds Pumps	8.9	0.9	2.1	22.5	11.9	8.2	NM	-93.8	537	2	0.3
Commercial Intertech	8.2	6.5	7.3	15.3	19.1	3.1	NM	-50.3	441	14	3.1
Deere & Co	6.7	15.8	12.0	32.2	13.5a	12.5	NM	21.5	7,815	440	5.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

Radio Shack
TRS-80, 1977

GRiD Compass, 1981

Radio Shack
Model 100, 1983

Tandy 1000, 1984

Tandy 5000 MC, 1988

GRiDPAD, 1989

Victor M Series, 1990

Tandy 1000 RL, 1990

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The near-term outlook for capital goods companies still remains mixed. The recent Clean Air Act should boost orders for gas turbines, favoring companies like Stewart & Stevenson. Oil and gas drilling may not return to the heady days of the early 1980s, but the Middle East unrest should insure a steady stream of business for companies like Cooper Industries, McDermott International and others that make oilfield equipment.

Capital goods companies should be able to weather a recession better than they did a decade ago. Says County NatWest analyst Nicholas Heymann, "They have much lower inventories, and overall they have better product mixes than in the past." ■

Capital goods	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Varity	6.7	21.6	10.9	49.1	13.7	39.8	NM	37.9	3,087	110	3.6
Harnischfeger Inds	5.8	13.0	12.3	14.5	31.2	25.4	NM	44.1	1,703	66	3.9
Foster Wheeler	5.7	7.9	6.0	34.8	–2.3	20.1	NM	16.9	1,468	37	2.5
Clark Equipment	2.9	11.3	10.7	8.5	9.7	7.1	NM	7.5	1,456	62	4.3
Timken	2.5	4.0	3.8	6.1	7.9	–1.5	NM	–55.1	1,592	43	2.7
Cincinnati Milacron	def	2.9	4.9	35.4	5.0	–0.1	NM	–67.9	844	7	0.8
Allied Products	def	def	def	23.3	17.0	–13.2	NM	D-D	518	–22	def
Ampco-Pittsburgh	def	6.0	6.4	22.3	–14.1	–4.1	NM	D-P	220	8	3.4
McDermott Intl	def	def	2.9	45.7	–6.2	2.6	NM	D-D	2,790	–9	def
Cross & Trecker	def	def	def	13.1	8.0	–5.7	NM	D-D	431	–8	def
Eagle-Picher Inds	def	NE	18.7	43.5	3.1	–7.6	NM	D-P	700	49	6.9
Medians	11.9	12.0	9.5	27.3	11.9	5.6	–8.6	2.5	1,285	32	3.7
Industry medians	12.6	12.9	9.7	26.9	10.8	6.6	4.8	4.8	1,225	34	4.0
All-industry medians	14.6	12.1	9.2	32.6	11.3	6.6	6.9	–2.6	1,282	49	4.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

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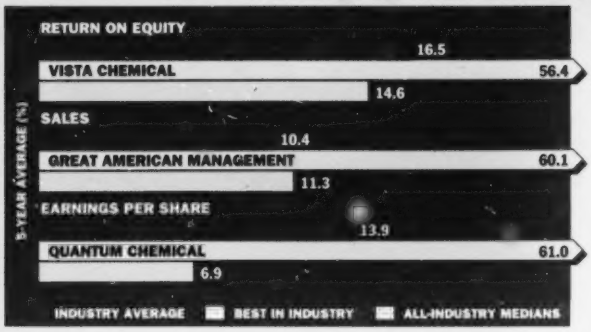


A slowing economy, higher feedstock prices and new environmental regulations cut into profits but not sales.

By Philip Glouchevitch

RECORD SALES LAST YEAR couldn't prevent the chemical industry's first decline in profits since 1985. The Chemical Manufacturers Association estimates that the decline could be as much as 23%—results that haven't gone unnoticed on Wall Street. As a group, share prices of the chemical companies in this survey fell 16% betwen Aug. 1 and Nov. 14. In contrast, the S&P 500 was off only 10%.

The slump in chemical stocks wasn't across the board. As 1990 drew to a close, some specialty chemical stocks were enjoying a late rebound. Great Lakes, Betz, Morton, Lubrizol and Fuller were among the stocks coming within a few points of their highs for the year. Specialty chemical manufacturers are less affected by the price of oil than chemical companies that depend on commodity petrochemicals such as ethylene.

Chemical firms are also facing higher pollution abatement expenses—which are expected to rise to $6 billion by 1995 from just over $3 billion in 1989. These costs will hit all companies in this industry, though some, like Dow and

Formula for foreign growth

Great Lakes Chemical, Inc., based in West Lafayette, Ind., has been around since 1936, but as recently as 1986 foreign markets contributed only 21% of its sales and income. Since then, Chairman Emerson Kampen, 62, has used strong cash flows and modest debt—only around 7% of capital—to expand global operations.

Great Lakes' first foreign venture was in 1969 with German chemical giant BASF to sell flame-retardant products abroad. It bought out BASF's share in 1986.

Bromine-based specialty chemicals are the mainstays of Great Lakes' business. But the company has also diversified into furfural—a liquid used to produce resins for casting metals: QO Chemical, acquired in 1987 after it had been spun off from Quaker Oats, does over half its business overseas.

In 1989 Great Lakes Chemical bought a 52% stake in U.K.-based Octel Associates, which produces alkaline leads used in the gasoline refining process. Kampen purchased the Octel stake from a consortium of five major oil companies—BP, Mobil, Chevron, Shell and Texaco.

Was Octel a smart buy? Leaded gasoline is gradually being phased out of the European Community within the next few years. But demand remains strong in developing countries. And Octel Associates is Europe's leading bromine producer, a business Kampen believes has great potential for developing other specialty chemicals.

Octel's profit margins have increased over 50% since Great Lakes bought in. "I would gladly buy more of the company, but I don't think the oil companies will sell it cheaply now that we've made it so profitable," says Kampen. Great Lakes' sales topped $1 billion in 1990, with over 60% from overseas. Analysts figure 1990 earnings—also 60% foreign-derived—reached $140 million.

To guide the foreign operations, Kampen spends about 20% of his time abroad and relies on the advice of key executives who have worked in the U.S. but live overseas. And Kampen makes it clear to employees that a foreign assignment is no one-way ticket: "Someone in the German technical service department is as visible to me—maybe even more so—as his counterpart in Indiana."

Simple but effective chemistry.—P.G.

Paul Meredith

Emerson Kampen of Great Lakes Chemical

Georgia Gulf, are going further by buying out homeowners living near chemical plants, minimizing liability.

The industry employs more than 1 million workers—about 5% of the manufacturing total—and is a lynchpin of U.S. foreign trade. In 1989 chemical firms contributed $22 billion to the national accounts (the overall deficit is $110 billion). But even this export market is vulnerable: The nature of certain commodity chemicals makes the market attractive for emerging industrial countries like Taiwan or Korea, and this will continue to put pressure on the U.S. manufacturers.

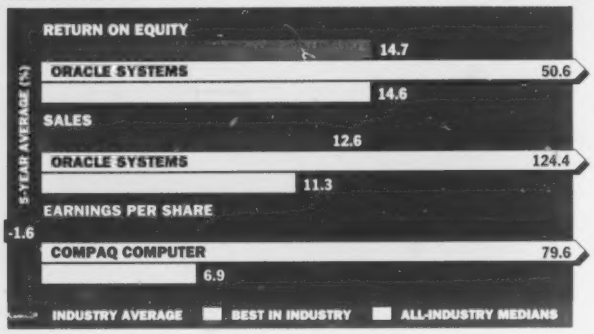
Unlike previous years, chemical stocks scarcely benefited from mergers or restructurings. The only notable acquisition came last March, when Mitsubishi bought Aristech Chemical for $970 million. ■

Chemicals	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Diversified											
Union Carbide	32.2	14.4	9.2	39.2	NM	–2.3	NM	–50.5	8,596	348	4.1
Dow Chemical	29.8	19.0	14.8	32.9	10.4	7.1	42.2	–42.6	18,890	1,537	8.1
Valspar	22.3	22.8	17.6	23.3	17.0	13.6	17.6	18.3	569	25	4.5
A Schulman	20.8	21.9	20.1	2.9	17.0	8.7	24.9	17.0	679	36	5.3
Quantum Chemical	17.8	NE	6.7	93.6	9.6	–11.7	61.0	–91.3	2,517	30	1.2
Rohm & Haas	17.6	14.6	10.7	20.4	5.9	5.2	8.4	–3.4	2,770	191	6.9
Univar	15.1	16.9	11.5	44.5	24.8	2.3	14.2	11.4	1,389	23	1.6
El du Pont de Nemours	14.6	15.1	10.7	21.3	3.4	7.1	15.7	–2.7	37,428	2,325	6.2
American Cyanamid	14.3	14.4	12.2	14.5	5.9	–4.1	14.9	2.6	4,584	335	7.3
Monsanto	14.0	15.6	11.4	25.0	6.0	2.9	24.1b	–0.7	8,800	605	6.9
Olin	12.3	14.7	10.3	32.5	5.7	0.8	22.9b	–6.7	2,552	107	4.2
Hercules	12.0	def	def	21.3	3.5	2.8	NM	P-D	3,152	–133	def
BF Goodrich	9.9	11.9	9.8	13.3	–7.6	–1.3	142.0b	–19.4	2,431	149	6.1
First Mississippi	9.5	4.0	4.0	33.9	8.5	16.7	NM	–39.1	530	8	1.5
FMC	4.3	NE	18.4	86.8	NM	2.6	37.1	0.0	3,564	161	4.5
Medians	**14.6**	**14.6**	**10.7**	**25.0**	**5.9**	**2.8**	**17.6**	**–3.4**	**2,770**	**149**	**4.5**
Specialized											
Georgia Gulf	78.4a	31.4	39.3	251.5	14.7	–17.3	74.6a	–45.6	946	118	12.4
Vista Chemical	56.4	NE	17.2	106.8	9.3	–7.7	NM	–35.4	719	59	8.2
Wellman	41.7a	20.6	12.6	45.2	32.6b	123.1	52.0b	20.6	791	66	8.4
Valhi	34.5	24.9	12.1	80.2	52.4	–19.3	46.6	–43.8	1,817	71	3.9
Sigma-Aldrich	26.9	22.8	18.9	16.1	19.9	23.1	23.7	12.7	491	68	13.9
Great Lakes Chemical	23.1	23.0	25.4	6.8	25.0	41.7	30.9	13.5	1,003	136	13.5
Freeport-McMoRan	22.8	90.5	18.1	43.2	20.6	–18.2	23.6	122.9	1,669	326	19.6
Loctite	22.5	25.0	22.7	11.1	15.9	14.8	20.6	12.3	534	65	12.1
Betz Laboratories	22.0	22.3	20.3	0.0	11.4	13.8	9.4	16.0	573	63	11.0
Nalco Chemical	21.9	27.0	18.6	6.2	11.0	11.5	10.6	13.1	1,170	128	11.0
Ethyl	21.1	25.5	15.5	36.1	11.3	4.9	23.7	9.1	2,482	228	9.2
Chemed	21.0	11.9	10.9	14.1	11.0	0.6	NM	–23.1	596	20	3.4
Pall	20.6	17.8	15.7	10.9	15.6	13.6	13.6	13.9	564	66	11.7
Intl Flavors & Frags	19.9	19.9	19.5	0.0	14.5	8.1	16.2	9.9	932	152	16.3
Morton International	16.9	14.9	12.8	19.1	7.5	20.6	NM	57.4	1,736	143	8.2
RPM	16.6	18.3	def	36.3	19.3	21.3	12.6	11.6	469	29	6.1
NCH	16.5	19.9	18.7	5.7	12.3	10.3	25.2	13.7	645	41	6.3
Lubrizol	16.2	27.1	23.6	6.6	7.5	11.2	13.4	20.6	1,362	174	12.8
Ferro	14.8	8.8	8.9	13.0	12.0	3.6	33.4	–32.8	1,113	33	3.0
Air Prods & Chems	14.7	15.8	10.0	31.4	9.0	9.6	13.3	2.7	2,895	230	7.9
Dexter	14.0	12.9	10.4	27.6	7.5	4.8	7.0	–2.9	885	41	4.7
HB Fuller	13.1	10.4	8.6	31.9	11.9	4.6	7.4	27.8	779	19	2.5
Witco	11.0	5.4	4.6	26.2	1.8	0.4	–6.8	–61.4	1,598	28	1.8
MA Hanna	9.1	9.8	10.0	17.4	51.0	3.7	NM	–42.3	1,119	54	4.9
WR Grace	9.0	12.2	9.8	48.6	NM	7.9	NM	–14.9	6,527	211	3.2
Cabot	5.9	12.8	9.8	35.4	3.2	–13.6	–33.9b	396.4	1,673	71	4.3
Imcera Group	5.4	8.3	7.0	46.2	–6.1	38.3	NM	–21.4	1,489	67	4.5
DeSoto	1.0	6.6	6.4	33.5	NM	5.7	NM	D-P	427	6	1.3
Great American Mgmt	0.5	21.0	14.7	79.5	60.1	27.7	NM	500.0+	2,092	41	2.0
Inspiration Resource	def	0.8	2.6	26.3	8.9	2.5	NM	–87.0	1,394	4	0.3
IMC Fertilizer Group	NA	10.8	9.3	31.5	3.4	–6.9	NA	–32.1	1,121	86	7.6
Lyondell Petrochem	NA	500.0+	49.8	91.3	5.3	13.1	NA	NA	5,835	347	6.0
NL Industries	NA	78.0	19.0	76.8	17.5	–7.8	52.5	–43.5	919	104	11.3
Rexene	NA	NE	5.0	116.8	10.9	–21.8	NA	NA	513	–13	def
Sterling Chemicals	NA	54.3	30.4	35.2	NA	–12.9	NA	–39.5	506	59	11.7
Medians	**16.8**	**18.3**	**12.8**	**31.5**	**11.3**	**5.7**	**12.6**	**9.9**	**1,003**	**66**	**7.6**
Industry medians	**16.5**	**15.3**	**11.8**	**31.4**	**10.4**	**4.9**	**13.9**	**–0.4**	**1,266**	**68**	**6.1**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

COMPUTERS & COMMUNICATIONS



Some of the best computer companies didn't exist a decade ago.

By Julie Pitta

LAST YEAR WAS BRUTAL FOR COMPUTER VETERANS Data General, Digital Equipment, Unisys and Wang Laboratories. Each based much of its fortunes on older technology—mainframes and minicomputers—and failed to move quickly into fast-growing areas like workstations and microcomputers.

Even IBM was forced to break with tradition and initiate a staff-reduction program in late 1989. Unisys said it will let go of 5,000 workers by mid-1991. Paternalistic Digital and Hewlett-Packard may have to reconsider their "no layoff" policies. Weaker outfits like Data General and Wang will find it increasingly difficult to go it alone. In December AT&T, its own computer business failing, began a hostile bid for NCR.

Running the right program

Back in 1985 Compaq Computer Corp. had $500 million in sales. Only five years later Compaq's revenues shot over the $3 billion mark for the first time. Cofounder and Chief Executive Joseph Rodney Canion credits the firm's European expansion for this phenomenal growth.

Before 1984 Compaq wasn't even a player in Europe. Then the company called upon Eckhard Pfeiffer, who headed Texas Instruments' international marketing efforts before Canion—also a TI alumnus—hired him away in 1983. Pfeiffer explains that he left Houston six years ago "with a plane ticket for Munich and a check for $20,000 in my pocket." By then the European market was crowded with U.S. companies like IBM, Digital Equipment and Hewlett-Packard as well as nationals such as Olivetti. Canion worried that Pfeiffer might be too late.

But Canion's fears were unfounded. Pfeiffer set about creating a European distribution network that mirrored Compaq's U.S. operations. And he helped convince Canion to build a plant in the U.K. Compaq's international revenues are expected to reach $2 billion in 1990, with 93% of that coming from Europe. According to Inteco, a British market research firm, Compaq now has a 14% share of the European market—second only to IBM—and it is gaining.

Compaq moved first into established countries like France, West Germany and the U.K. Pfeiffer won over large dealers with joint marketing programs and superior service. Today Compaq has established wholly owned subsidiaries in all Western European countries, excluding Portugal and Greece. Pfeiffer's international organization numbers 3,000 employees.

But don't look for Compaq to leap into Eastern Europe or the Soviet Union, as many others are promising to do. "It takes time to remove barriers," says Pfeiffer. "For example, in Russian and many Eastern European companies you cannot have majority ownership. Who would want to make that kind of investment without being able to protect it?" Compaq will move deliberately. Says Canion: "We've done it carefully and slowly, but we did it."—J.P.

Reid Horn

Eckhard Pfeiffer of Compaq Computer

"You can't innovate at your own pace," says Edward Zander, marketing vice president at Sun Microsystems, the workstation maker. Yet the U.S. mainframe business—dominated by IBM—still generated an estimated $13 billion in sales.

The most vibrant computer market was the one for personal computers. It was fueled by demand for portable computers, networking and "user-friendly" software. The pricing war among the IBM-clone makers continued to intensify. Even Apple played the pricing game with a low-cost version of its Macintosh.

Chip supplier Intel fared better than many PC manufacturers. The market migrated to Intel's proprietary family of 80386 microprocessors. But Intel, too, may be subjected to competition. It is now locked in a legal battle against Ad-

Computers & communications	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital**		**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**latest 12 mos %**	**Debt/ capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Hardware											
Conner Peripherals	46.4b	40.3	30.9	9.8	NA	99.0	NM	130.7	1,145	97	8.5
Everex Systems	44.3	20.9	19.8	6.6	110.4a	15.7	81.3a	13.2	437	24	5.6
Compaq Computer	42.7	30.5	26.5	4.0	56.8	22.9	79.6	11.1	3,385	399	11.8
Mark IV Industries	40.9	36.2	14.2	78.3	74.2	–10.2	62.5	175.5	848	61	7.2
Apple Computer	37.2	32.0	25.7	0.0	28.7	5.2	55.0	6.8	5,558	475	8.5
Merisel	29.8	6.9	6.9	52.8	31.7	76.0	42.6b	–63.6	1,024	3	0.3
Micron Technology	27.4	1.0	1.6	12.6	44.6	–25.3	NM	–95.4	333	5	1.5
Cray Research	24.8	21.7	18.4	14.9	27.0	12.0	17.5	13.6	880	132	15.0
EG&G	23.5	20.9	20.1	2.1	8.4	41.4	5.1	7.2	2,283	72	3.2
Premier Industrial	23.1	32.8	30.2	2.4	8.8	4.1	16.3	10.4	631	76	12.0
Sun Microsystems	22.5	15.7	14.2	25.6	102.8	36.0	67.2	145.6	2,605	132	5.1
Seagate Technology	21.0	17.3	12.8	38.9	44.9	84.1	NM	11.2	2,664	108	4.0
Western Digital	20.0	7.9	6.7	29.1	56.9	7.9	NM	–30.5	1,071	24	2.3
AMP	19.9	17.8	16.6	3.8	11.5	4.7	16.6	–1.8	2,945	290	9.8
3Com	19.7a	11.1	10.9	0.3	75.4	11.0	71.0	–13.4	436	24	5.6
Amdahl	18.9	13.8	12.1	3.7	24.3	5.9	47.5	–6.9	2,140	164	7.7
Quantum	18.8	33.3	36.8	0.0	27.9	78.1	10.4	66.5	596	59	9.9
Vishay Intertech	18.8	17.8	11.2	43.7	54.1	6.9	22.4	22.3	440	22	5.0
NCR	18.4	20.3	17.2	10.7	9.0	3.4	13.1	9.0	6,178	405	6.6
Thomas & Betts	18.1	14.2	12.6	12.2	13.0	10.8	8.2	–14.1	593	48	8.1
AST Research	17.6	30.5	21.0	12.2	46.2	20.1	NM	D-P	556	44	7.9
Molex	17.0	14.2	13.9	1.5	20.2	7.8	12.8	14.2	622	64	10.4
Intel	16.7	22.0	20.6	8.8	18.4	27.4	NM	60.8	3,770	609	16.2
Digital Equipment	16.2	def	def	1.8	18.6	–0.2	29.0	P-D	12,905	–50	def
Hewlett-Packard	16.2	13.4	12.3	2.1	14.6	11.2	10.3	–13.1	13,233	739	5.6
Marshall Industries	16.1	14.9	12.6	27.2	16.7	6.3	17.0	7.9	563	20	3.6
Maxtor	16.1	12.3	9.9	36.3	61.7	57.3	NM	109.1	652	20	3.1
Applied Materials	15.6	15.9	15.2	13.5	25.0	20.3	NM	–22.1	568	43	7.5
Dynatech	15.4	11.5	9.8	38.6	16.2	17.4	–6.4	35.0	471	16	3.3
Texas Instruments	15.4	0.9	1.9	21.2	4.4	0.7	48.8b	–94.1	6,532	53	0.8
Intergraph	15.3	10.6	10.4	1.2	15.7	18.4	4.6	–9.5	984	67	6.8
SCI Systems	14.1	8.7	6.9	61.8	16.4	12.3	10.8	118.2	1,179	15	1.3
Northern Telecom	13.8	15.4	12.4	17.3	11.4	14.1	NM	142.3	6,675	441	6.6
IBM	13.8	10.8	8.5	20.1	6.4	5.1	–7.8	–22.9	66,419	4,150	6.3
Tandem Computers	13.7	11.0	10.8	2.5	26.2	14.3	22.2	–3.4	1,866	122	6.5
Motorola	12.3	13.7	11.8	15.2	12.6	15.5	20.1	5.8	10,603	522	4.9
Scientific-Atlanta	11.7	15.0	14.9	0.8	6.1	5.4	NM	8.6	598	41	6.9
Carlisle Cos	11.5	10.5	10.3	18.9	2.6	7.0	NM	4.2	602	22	3.6
Silicon Graphics	10.8	16.9	15.4	13.0	88.0	46.8	94.6b	104.4	449	37	8.2
Analog Devices	10.0	3.2	3.0	1.0	8.6	0.0	NM	–70.4	458	11	2.4
MAI Systems	9.0a	0.9	6.2	57.2	10.0	346.1	NM	D-P	653	3	0.4
Penn Central	6.9	5.7	5.9	21.8	–10.8	20.2	NM	–32.8	2,072	103	5.0
Wyle Laboratories	6.9	12.6	10.3	25.5	6.9	8.7	20.9b	98.4	442	12	2.8
Avnet	6.4	7.7	7.1	20.6	4.1	–6.1	NM	–1.2	1,752	58	3.3
Bell Industries	6.0	8.0	7.9	20.9	8.0	–2.7	NM	53.8	398	8	2.1
Harris Corp	6.0	12.0	10.3	21.0	NM	21.7	–17.6	352.9	3,049	123	4.0
Varian Associates	5.1	def	0.2	14.9	7.4	–6.5	NM	P-D	1,256	–4	def
Perkin-Elmer	3.6	7.8	6.9	13.3	–6.5	6.8	NM	D-P	838	44	5.3
Tektronix	3.2	def	def	26.4	1.0	–0.7	–25.5	P-D	1,417	–81	def
M/A-Com	1.1	def	def	45.8	–13.6	–15.1	NM	P-D	375	–105	def
LSI Logic	1.0	3.3	5.0	31.2	43.4	15.5	NM	D-P	610	10	1.6
Unisys	1.0	def	def	41.1	18.7	1.4	NM	D-D	10,147	–314	def
Teradyne	0.1	def	def	11.8	6.6	–9.6	NM	P-D	450	–22	def
Itel	def	2.7	6.2	83.8	85.3	11.1	NM	82.6	2,256	27	1.2
Advanced Micro	def	def	1.1	15.3	3.3	1.0	NM	D-D	1,079	1	0.1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

vanced Micro Devices, which has come up with a reverse-engineered version of the 386 chip.

The large installed base of personal computer users didn't curb their voracious demand for software. Microsoft introduced a more versatile version of Windows, a graphical user interface program that uses pictures instead of typed keyboard commands. Microsoft earned $317 million on sales of $1.3 billion, making it only the second software company to top $1 billion in sales. Despite healthy earnings growth, Lotus Development began to feel the pinch from Microsoft's Excel and Borland International's Quattro Pro—spreadsheet programs that rival Lotus 1-2-3.

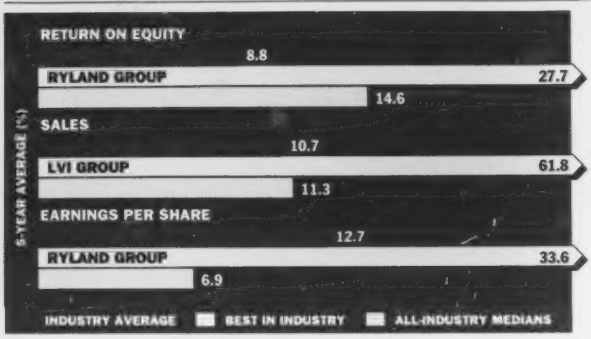
Telecommunications companies should benefit from new opportunities abroad. Japan, the Soviet Union, France, Germany and Great Britain are all candidates for major upgrades to their telephone networks. Eastern European countries, in serious need of new telephone equipment, offer significant potential. Deregulation, pioneered in the U.S., is being embraced elsewhere. New long-distance carriers are emerging in Germany, Japan, England and Canada. ■

Computers & communications	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Natl Semiconductor	def	def	def	3.8	3.4	7.5	NM	D-D	1,720	–169	def
Atari	def	6.0	4.7	46.8	31.6a	6.1	NM	D-P	430	5	1.2
Arrow Electronics	def	4.4	6.7	55.8	9.2	5.0	NM	D-P	974	10	1.0
Zenith Electronics	def	def	def	29.5	NM	–24.2	NM	D-D	1,475	–65	def
Wang Laboratories	def	def	def	55.2	6.6	–10.4	NM	D-D	2,464	–651	def
Data General	def	def	def	12.3	2.7	–7.5	NM	D-D	1,216	–140	def
Sprague Technologies	def	def	def	21.4	–6.9	–19.7	NM	D-D	319	–47	def
Datapoint	def	def	def	53.2	–10.1	–14.5	NM	D-D	267	–89	def
Control Data	def	def	def	30.6	–3.6	–46.6	NM	D-D	1,785	–170	def
TIE/communications	def	def	def	43.6	–13.1	–30.7	NM	D-D	165	–57	def
Storage Technology	def	15.5	12.4	31.0	5.4	16.0	–28.2b	31.6	1,101	59	5.4
Medians	**13.8**	**10.9**	**10.1**	**18.1**	**12.6**	**7.2**	**NM**	**6.3**	**1,048**	**26**	**3.6**
Software											
Oracle Systems	50.6	20.9	19.4	30.2	124.4	49.5	NM	–23.1	999	70	7.0
Microsoft	50.4	39.5	42.9	0.0	55.4	52.8	56.7	60.9	1,318	317	24.1
Novell	46.6	31.2	27.0	14.9	87.7	18.1	61.9	81.3	468	76	16.2
Lotus Development	36.1	29.3	18.8	31.9	28.8	25.0	18.1	73.5	648	84	13.0
Computer Associates	30.4	17.1	15.4	2.2	45.0	5.8	49.4	8.3	1,276	169	13.2
Automatic Data	19.4	20.8	17.9	6.5	13.8	2.4	19.5	13.9	1,725	216	12.5
General Motors EDS	17.3	11.2	20.0	8.3	32.3	9.7	35.8	16.4	5,747	483	8.4
First Financial Mgmt	16.8	13.1	8.1	67.9	94.9	73.6	46.9	19.1	1,218	66	5.4
Computer Sciences	15.2	14.3	12.7	19.3	15.6	13.7	17.9	18.8	1,614	66	4.1
Medians	**30.4**	**20.8**	**18.8**	**14.9**	**45.0**	**18.1**	**35.8**	**18.8**	**1,276**	**84**	**12.5**
Telecommunications											
Centel	24.9	25.4	12.4	47.7	–3.5	23.0	22.3	19.4	1,296	280	21.6
MCI Communications	24.0	17.6	10.4	45.4	26.3	19.3	NM	–49.5	7,387	315	4.3
Alltel	17.3	16.8	11.2	38.3	14.3	32.6	12.6	11.6	1,559	185	11.9
Cincinnati Bell	17.1	15.3	9.4	35.2	15.8	10.2	16.6	0.0	957	88	9.2
United Telecom	15.9	15.8	8.0	50.3	22.0	12.5	NM	–49.1	8,195	339	4.1
Ameritech	15.9	15.7	9.2	27.9	3.8	4.3	6.6	7.5	10,571	1,299	12.3
Contel	15.0	12.7	8.3	56.7	5.3	7.2	NM	–16.4	3,356	212	6.3
So N England Telecom	14.8	11.5	6.9	33.6	5.8	–2.1	8.6	–25.2	1,636	138	8.4
Pacific Telesis	14.6	14.0	8.4	30.0	4.0	2.1	6.8	2.1	9,750	1,156	11.9
BellSouth	14.4	13.3	8.5	27.4	8.1	2.5	4.3	3.7	14,310	1,740	12.2
GTE	14.4	17.0	8.7	40.4	3.1	6.7	5.9b	12.1	18,259	1,519	8.3
US West	14.3	13.8	7.9	32.0	5.7	3.8	6.3	11.1	9,859	1,195	12.1
Bell Atlantic	13.8	12.1	7.1	34.1	6.9	6.6	3.2	–13.8	12,082	1,134	9.4
Rochester Telephone	13.7	11.0	7.1	38.5	8.5	8.4	NM	–20.1	588	48	8.2
Southwestern Bell	13.2	12.8	8.0	27.5	3.4	4.6	3.3	2.5	8,990	1,131	12.6
Nynex	12.5	8.9	6.2	32.8	6.9	3.4	NM	–29.8	13,532	845	6.2
American Tel & Tel	8.6	21.3	13.1	32.4	1...	1.1	18.5	D-P	36,573	2,742	7.5
DSC Communications	7.0	12.0	9.2	36.7	5.9	24.2	35.0b	52.0	494	32	6.6
McCaw Cellular	def	41.3	25.3	58.4	105.4	100.8	NM	D-P	890	462	51.9
Western Union	def	NE	def	NE	–10.0	–10.6	NM	D-D	591	–86	def
Communications Trans	def[b]	NE	def	82.2	77.8	–2.9	NM	D-D	401	–64	def
Medians	**14.4**	**13.8**	**8.4**	**35.2**	**5.9**	**6.6**	**4.3**	**2.1**	**7,387**	**339**	**8.4**
Industry medians	**14.7**	**12.8**	**9.6**	**23.7**	**12.6**	**7.3**	**–1.6**	**7.0**	**1,217**	**60**	**5.5**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

CONSTRUCTION



Don't expect the building slump to end until mid-1991 at the earliest. When the recovery does come, it will be mild and led, as usual, by housing.

By Claire Poole

JUST AS THE ALREADY SICK CONSTRUCTION SECTOR began to stabilize in mid-1990, recession took it down again in the fourth quarter and for the year. According to McGraw-Hill's Construction Information Group, total contracts dropped an estimated 9% last year, to $245 billion.

Yet the outlook is not entirely dreary. George Christie, chief economist of McGraw-Hill's forecasting group, thinks a mild recovery is not too many months around the corner. While Christie is projecting another drop of 2% for all of 1991, he believes building contracts will begin to rebound in the third quarter to their mid-1990 levels. For 1992 Christie expects a 15% increase.

Why? Falling interest rates, mainly. The fortunes of the construction sector won't improve without a rebound in housing, the biggest contributor to the group. In October construction of homes and apartments dropped to the lowest level since June 1982. But by mid-1991, if mortgage rates work their way down to as low as 9% and the economy is on the mend, housing could show a slight bounce. By 1992 housing contracts could begin to grow, but at around 20%—

Construction	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Commercial builders											
Blount	17.9	7.8	6.9	34.8	NM	−25.0	26.3	−81.8	665	12	1.9
Apogee Enterprises	17.4	16.7	13.9	26.3	21.1	16.3	18.7	14.4	603	16	2.7
Jacobs Engineering	17.0	23.4	22.1	0.0	39.4	11.1	66.1a	34.7	882	14	1.6
Rouse	16.2	def	4.8	93.4	20.6	6.0	−18.4	P-D	512	0	def
Centex	12.3	13.5	10.7	20.7	10.7	15.9	8.9	13.9	2,255	62	2.8
Butler Manufacturing	7.5	16.0	7.6	57.0	7.0	−7.1	28.1	−48.1	574	7	1.2
Fluor	5.9	18.5	16.7	5.9	6.6	14.9	NM	29.5	7,142	135	1.9
Perini	5.7	3.4	3.4	31.4	1.2	25.9	NM	156.8	1,014	7	0.7
CBI Industries	2.8	10.0	7.8	26.1	9.4	6.3	53.4b	133.7	1,556	52	3.4
Turner Corp	0.9	13.1	10.8	48.3	15.4	−5.3	−30.8	500.0+	3,357	9	0.3
Morrison Knudsen	def	13.2	12.8	37.7	NM	−19.0	NM	D-P	1,733	34	1.9
Guy F Atkinson	def	def	def	3.9	NM	4.0	NM	D-D	879	−5	def
LVI Group	def	def	def	102.7	61.8	−24.2	NM	D-D	367	−34	def
Wheelabrator Tech	NA	8.0	4.2	62.7	15.6a	−20.1	NA	−16.8	1,220	45	3.7
Medians	5.9	11.6	7.7	33.1	10.0	5.0	−18.4	14.2	948	13	1.8
Residential builders											
Ryland Group	27.7	15.0	7.0	93.2	26.1	2.1	33.6	−5.1	1,375	36	2.6
Kaufman & Broad Home	26.6b	29.9	14.5	61.2	38.3	51.6	27.6a	−7.3	1,521	67	4.4
PHM	13.6	11.5	7.5	83.1	NM	−11.1	18.3	−45.1	1,105	35	3.2
Lennar	12.2	7.4	5.0	54.0	21.7	−8.1	33.0	−32.1	396	19	4.8
Skyline	10.1	6.1	6.1	0.0	NM	−2.0	16.4	−38.7	372	9	2.5
US Home	def	def	def	61.6	−8.5	−11.6	NM	D-D	621	−23	def
MDC Holdings	def	def	def	70.1	26.2	−29.7	NM	D-D	563	−64	def
Medians	12.2	7.4	6.1	61.6	21.7	−8.1	18.3	−38.7	621	19	2.6
Industry medians	8.8	10.0	7.0	48.3	10.7	−2.0	12.7	−16.8	882	14	1.9
All-industry medians	14.6	12.1	9.2	32.6	11.3	6.6	6.9	−2.6	1,282	49	4.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

nothing near the 50% surge of the last big housing recovery that began in 1983. Blame fading demographics and past overbuilding.

In the near term, the only region showing gains in housing will be the southern central states, which could see 9% advances in both single- and multifamily housing contracts in 1991. This would bode well for Ryland Group and Centex Corp., both big home builders in Texas. Conversely, companies concentrated mainly in California, like Kaufman & Broad Home Corp., will recover much later.

Look for an advance in institutional building, including schools and prisons, where new contracts grew 4% last year and should grow another 1% this year, to $39 billion. The companies with the best prospects here include Fluor Corp., which is already building a prison in Texas.

Commercial building, in for another down year in 1991, will take longer to revive. Coldwell Banker reports that as of June 1990 six major American cities had office vacancy rates in excess of 20%. And nationwide, 17% of the available office space lies unoccupied. Troubles in the retailing sector are hurting builders and developers of shopping centers like Rouse Co., one of the largest public firms in this business.

Expenditures on public works projects held steady in 1990. But state and local government budgets are now under pressure; despite the need for infrastructure rebuilding, this segment is likely to shrink 4% this year—the first time in ten years—because of budgetary restraints. Public works will probably not rebound until 1994, with the potential for double-digit gains. Maybe by then recession will be a faded memory. ■

The virtues of diversification

Leslie McCraw, vice chairman of Fluor Corp. in Irvine, Calif., recently heard an interesting analogy that reinforces his view about doing business in China. "It's like a glacier," says the affable engineer from South Carolina. "The top layer may appear to be moving very slowly, but the layer underneath is moving faster than you think."

McCraw is a witness. Fluor, one of the world's leading engineering and construction firms, has worked on about 50 projects in China and is currently involved in about a dozen there, including construction of an auto factory.

Fluor's China projects show how the company itself has changed, both here and abroad. Ten years ago 90% of Fluor's backlog came from constructing huge oil refineries and petrochemical plants worldwide. When oil prices began to slide in 1982, so did Fluor's backlog—which shrank from $16 billion in 1981 to $4 billion by 1984. By 1985 Fluor was losing $633 million on $4 billion in sales.

So in 1986, to better diversify, Fluor reorganized into five market sectors—process, power, industrial, hydrocarbon and government. The plan worked: After losing another $60 million in 1986, Fluor turned a $26 million profit in 1987 and never looked back. In fiscal 1990 (ended Oct. 31) earnings grew 35%, to $147 million, on over $7 billion in revenues. Fluor's backlog now reaches nearly $10 billion.

Given the malaise in U.S. construction, Fluor is rated one of the few buys among construction analysts—primarily because of its hydrocarbon projects abroad. Some analysts are predicting profit gains of around 30% a year through fiscal 1992. Advises First Boston's Deborah Thielsch: "You want to buy companies that do a lot of hydrocarbon work and have overseas exposure."

Fluor has always had an international presence; but prior to 1986 its primary focus was on hydrocarbon facilities. While Fluor operates in as many as 80 countries, it's as likely to be working on an automotive plant in Canada or a paper mill in England as a refinery in Saudi Arabia. McCraw's goal is to keep the diversification strategy abroad, and to roughly balance Fluor's business 60-40 between domestic and foreign projects. In fiscal 1989, 23% of Fluor's backlog was contracted overseas. Toward the end of last year, the figure reached 30%.

Europe is tops on McCraw's list. While Fluor has operated in Western Europe for 30 years, his team is now negotiating either a joint venture or an ownership position with IAB, the leading engineering firm in eastern Germany.

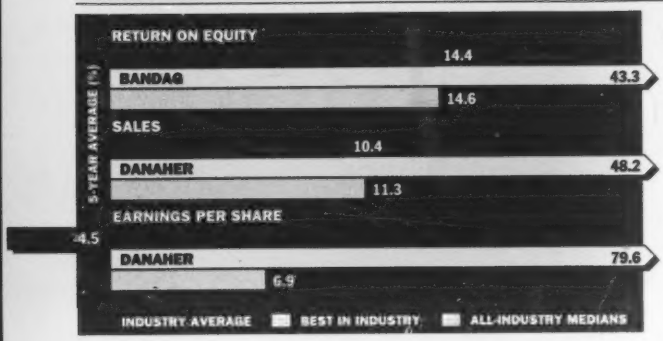
Jeff Jacobson

Fluor Corp.'s Leslie McCraw

Middle East hydrocarbon work was picking up even before Iraq invaded Kuwait and has not slackened off. In June Fluor signed a five- to nine-year contract with Saudi Aramco to manage the expansion of its production facilities. Analysts estimate the job to be worth as much as $5 billion to Fluor. McCraw realizes there are uncertainties with the project; indeed, the job is not included in Fluor's backlog. As a further hedge, Fluor is bidding on projects in other countries, like Venezuela, Indonesia and Thailand.

Hydrocarbon work has crept back up to 31% of Fluor's backlog. But the 56-year-old McCraw, who replaces retiring chairman David Tappan on Jan. 1, 1991, asserts that Fluor has learned the virtues of diversification. "People are looking at energy and energy dependency differently this time around," he says. "So are we."—C.P.

CONSUMER DURABLES



Detroit looks to new leadership to win the battle of sagging profits.

By Jerry Flint

IN THE GREATEST OF ALL consumer durables industries, automotive, the big change is at the top: new chief executives at General Motors and Ford (respectively, Robert Stempel and Harold [Red] Poling), and Chrysler clearing the line of succession to the venerable Lee Iacocca.

The new chiefs won't have it easy. The first half of 1991 could be very tough. Chrysler management has a new problem: Investor Kirk Kerkorian now holds 9% of its shares.

Rebates, writeoffs and production cuts are already hurting the bottom line. Chrysler lost $627 million over the 12 months ended Sept. 30, while Ford's net income in the same period fell from $4.7 billion to $1.7 billion. GM, which wrote off $3.3 billion in plant closings, had a 93% drop in profits, to a paltry $332 million in the 12 months ended Sept. 30.

Double-digit earnings declines also were widespread through the remainder of the consumer durables industry.

Consumer durables	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Automobiles & trucks											
Ford Motor	25.5	7.5	6.3	57.8	12.8	1.8	16.2	-62.8	97,604	1,692	1.7
Oshkosh Truck	23.1	1.4	1.5	6.4	10.5	13.5	NM	-89.4	464	2	0.4
Paccar	19.8	15.6	10.5	34.4	12.9	-17.9	21.7	-16.2	2,913	157	5.4
Chrysler	18.6	def	1.4	61.8	12.5	-20.4	-18.2	P-D	29,945	-627	def
Fleetwood Enterprises	17.3	12.2	12.2	0.0	2.8	-2.7	NM	-23.7	1,544	50	3.3
General Motors	13.3	def	5.5	51.8	5.8	-1.4	NM	P-D	126,193	332	0.3
Navistar Intl	1.6	def	0.8	42.7	NM	-11.7	NM	P-D	3,894	-17	def
Medians	**18.6**	**1.4**	**5.5**	**42.7**	**10.5**	**-2.7**	**NM**	**P-D**	**3,894**	**50**	**0.4**
Automotive parts											
Bandag	43.3	36.5	32.9	1.7	11.5	10.1	18.8	5.7	569	78	13.6
Danaher	32.1	29.4	22.4	41.0	48.2	3.8	79.6	37.3	785	60	7.7
Standard Products	25.0	5.7	5.1	34.6	11.0	9.8	10.1	-63.9	654	9	1.3
TBC	23.8	23.9	23.5	0.0	5.4	4.4	44.4	12.5	506	17	3.3
Snap-on Tools	22.0	18.5	18.0	1.1	11.2	5.1	15.1	-3.0	927	106	11.5
Genuine Parts	21.5	21.1	19.8	4.1	7.2	5.7	13.0	5.2	3,290	205	6.2
PPG Industries	20.3	18.9	13.5	19.9	7.0	3.6	16.5	5.0	5,946	475	8.0
Eaton	18.3	15.6	10.9	30.0	NM	-0.5	6.0	-7.8	3,643	197	5.4
Cooper Tire & Rubber	18.1	21.0	16.7	18.8	10.3	4.4	21.5	19.7	891	65	7.3
Goodyear	17.7	def	2.0	53.4	2.1	2.2	NM	P-D	11,199	-39	def

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

The culprits: a weak economy, tightening credit, a building slowdown and high fuel prices. This crimped sales of everything from washing machines to motor homes and boats.

But new coaches also mean new hope, especially at GM, where Bob Stempel took the chairmanship. Stempel, an engineer by training, is a break in the long line of financial men who have run GM for most of the past three decades. He takes charge of a company whose core business—manufacturing cars in the U.S.—is in the red and whose onetime industry leadership has slipped badly.

Contrary to popular opinion, the big three haven't lost the war against the Japanese. Unlike cameras, television sets or VCRs, Detroit still makes almost three-fourths of all cars and trucks sold in America. In fact, in the U.S., much maligned GM outsells all nine Japanese makers put together.

Where do the foreigners have an edge? In production quali-

Consumer durables	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Masco Industries	**16.4**	0.0	4.5	74.2	**30.9**	–7.4	**20.1**	P-Z	1,575	–1	def
Modine Manufacturing	**16.4**	14.8	12.0	21.5	**8.6**	4.6	**5.0**	19.5	453	28	6.1
SPX	**15.7**	7.8	7.9	34.5	**6.9**	–1.9	**11.2**	–77.3	695	21	3.0
Dana	**14.1**	9.1	7.1	51.5	**8.9**	–0.5	**NM**	–40.7	5,207	92	1.8
Lancaster Colony	**13.8**	11.4	9.6	28.6	**2.6**	1.4	**17.3**	–28.3	507	16	3.1
Allied-Signal	**13.3**	14.1	10.9	30.9	**3.7**	3.1	**NM**	–4.3	12,258	470	3.8
Barnes Group	**12.6**	8.6	7.6	34.3	**1.7**	7.7	**NM**	–30.0	542	12	2.2
Johnson Controls	**12.0**	7.3	7.5	20.1	**20.1**	22.2	**2.4**	–16.5	4,500	92	2.1
Echlin	**10.4**	7.4	9.0	25.0	**17.0**	10.1	**–4.4**	6.3	1,601	47	3.0
Federal-Mogul	**10.1**	4.2	4.7	22.6	**5.3**	–0.7	**NM**	–60.4	1,094	19	1.7
Standard Motor Prods	**9.6**	4.6	4.9	34.1	**14.2**	19.6	**–7.0**	–50.9	500	7	1.5
Arvin Industries	**7.4**	5.3	5.7	39.1	**15.8**	13.2	**–19.3**	184.2	1,667	28	1.7
AO Smith	**4.9**	3.0	4.4	34.8	**2.8**	–7.7	**NM**	–43.0	944	10	1.1
Allen Group	**2.3**	11.0	9.4	42.0	**NM**	3.1	**NM**	–25.8	365	16	4.3
Douglas & Lomason	**0.2**	7.2	6.5	60.2	**10.2**	5.6	**NM**	D-P	427	3	0.7
Cummins Engine	**def**	def	def	34.4	**10.6**	–3.0	**NM**	D-D	3,418	–51	def
Medians	**14.9**	**8.8**	**8.4**	**32.5**	**8.7**	**4.1**	**3.7**	**–12.1**	**936**	**25**	**3.0**
Appliances											
Harman International	**30.2**	12.3	9.7	56.7	**29.7**	7.6	**48.5**	–27.1	570	12	2.0
Maytag	**26.9**	12.5	9.5	40.4	**9.8**	13.1	**NM**	–24.7	3,131	126	4.0
Toro	**21.2**	13.9	11.2	42.3	**19.3**	16.7	**23.8**	–26.2	751	17	2.2
Whirlpool	**12.7**	12.3	8.5	34.4	**12.6**	16.1	**–4.7**	39.0	6,579	175	2.7
Emerson Radio	**11.1**	def	def	33.3	**16.5**	–7.6	**–8.6**	P-D	805	–3	def
Pittway	**10.9**a	7.5	6.6	13.4	**10.6**	12.1	**NM**	–15.7	926	27	2.9
Black & Decker	**6.3**	11.3	6.1	77.4	**13.9**	35.9	**NM**	253.8	4,208	83	2.0
Medians	**12.7**	**12.3**	**8.5**	**40.4**	**13.9**	**13.1**	**–8.6**	**–24.7**	**926**	**27**	**2.2**
Home furnishings											
LADD Furniture	**24.8**	6.3	5.0	48.4	**18.2**	26.7	**5.3**	–60.4	529	8	1.6
Rubbermaid	**22.9**	21.8	19.4	5.5	**19.7**	4.3	**18.4**	17.2	1,379	130	9.4
Newell Co	**19.3**	22.6	19.5	15.4	**33.7**	–1.7	**28.1**	29.8	1,080	103	9.6
Leggett & Platt	**18.8**	16.0	12.3	39.1	**18.4**	11.8	**10.7**	0.4	1,073	46	4.3
Kimball International	**16.8**	16.2	14.9	2.2	**13.3**	–1.6	**9.4**	14.2	603	43	7.1
La-Z-Boy Chair	**16.4**	12.1	10.4	23.4	**17.7**	6.1	**5.1**	–4.0	606	26	4.3
Thomas Industries	**14.7**	11.9	8.3	43.3	**7.2**	15.8	**6.2**	–5.4	470	17	3.5
Premark Intl	**13.0**b	5.5	6.2	41.1	**9.1**	4.3	**NM**	–50.6	2,656	43	1.6
Oneida	**12.6**	9.3	7.1	35.2	**10.0**	1.4	**NM**	–41.1	413	10	2.4
Springs Industries	**10.3**	0.3	2.0	29.7	**16.6**	–1.4	**24.3**	–97.4	1,882	2	0.1
Bassett Furniture Inds	**7.9**	3.8	3.7	0.0	**3.6**	–4.2	**–8.6**	–46.6	448	10	2.2
Interco	**5.3**	NE	9.0	290.1	**–7.5**	–23.1	**NM**	P-D	1,484	–128	def
Medians	**15.6**	**10.6**	**8.6**	**32.4**	**15.0**	**2.9**	**5.8**	**–23.2**	**840**	**22**	**3.0**
Recreation equipment											
Harley-Davidson	**40.4**	28.7	22.5	21.9	**28.2**	11.3	**50.1**	39.6	874	45	5.2
Huffy	**11.6**	19.0	13.9	34.5	**10.3**	19.5	**NM**	25.4	498	19	3.8
Outboard Marine	**10.9**	def	def	20.3	**13.4**	–21.8	**14.0**	P-D	1,146	–77	def
Winnebago Industries	**4.9**	def	def	3.3	**1.2**	–23.4	**NM**	D-D	335	–18	def
Briggs & Stratton	**4.8**	14.9	11.1	18.9	**6.2**	14.0	**NM**	D-P	996	40	4.0
Coachmen Industries	**0.9**	def	def	10.4	**–5.7**	–15.8	**NM**	D-D	286	–3	def
Medians	**7.9**	**5.0**	**3.6**	**19.6**	**8.2**	**–2.2**	**NM**	**P-D**	**686**	**8**	**1.3**
Industry medians	**14.4**	**9.2**	**8.1**	**34.2**	**10.4**	**4.0**	**–4.5**	**–25.2**	**970**	**24**	**2.3**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. P-Z: Profit to zero. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful.
a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

ty, advanced technology, smooth engines and frequent style changes. While it struggles to catch up, Detroit has mounted a spirited defense by using rebates to cut prices while the Japanese struggle with the effects of a strong yen. The resulting damages to everybody's profits must be giving many Japanese automakers second thoughts about the easy pickings here. Except for Honda and Toyota, the Japanese transplants are running under capacity. Other than what's been announced, like Toyota's expansion in Kentucky, the Japanese are unlikely to build more plants here in the foreseeable future. This may give Detroit some breathing room, since the Japanese can't export more because of home market demand.

American products are even scoring a few points against the foreigners with the car testers: Ford's four-wheel-drive Explorer did better than Toyota's 4Runner, for example, and Chrysler's minivan gets high ratings.

Just as in sports, the new coaches need time to put in their playbooks and build their teams. But when will we know if they've got the right stuff?

Wait till next year. ■

A foreign affair

General Motors stumbles at home but competes effectively abroad.

The automaker is catching Ford in Western Europe, racing with Volkswagen into Central Europe, and planning to take on the Japanese in their own Asian backyard. Foreign profits—$2.7 billion on $28 billion in sales in 1989 and probably better last year—cover for the company's loss operations in the U.S.

"We're driving," says John F. Smith Jr., mastermind of the successful European strategy and now vice chairman overseeing all international operations. "Europe's a pretty good market, and we're doing a good job of picking up share and taking our cost down."

"We've been benchmarking all of our operations in Europe against the Japanese," Smith says. This means working toward what he calls leaner operations, more outsourcing, "less vertical integration, less of the cafeterias, less of this, just less," he says. A British assembly plant, Ellesmere Port, will go on three shifts by the end of 1991.

Michael L. Abramson

Jack Smith of General Motors

In Central Europe, GM's strategy is in place: A car assembly plant is to be built in car-starved eastern Germany. Engines will be built in a new joint venture in Hungary, and transmissions will be exported from Czechoslovakia. These are countertrades: The exports will earn hard currency, allowing GM to ship 15,000 knocked-down cars a year each to Hungary and Czechoslovakia. The cars will be assembled there to jump-start those markets. More important for quality, the Hungarian and Czechoslovakian plants will be allied with an existing GM plant in Austria, which makes the same products.

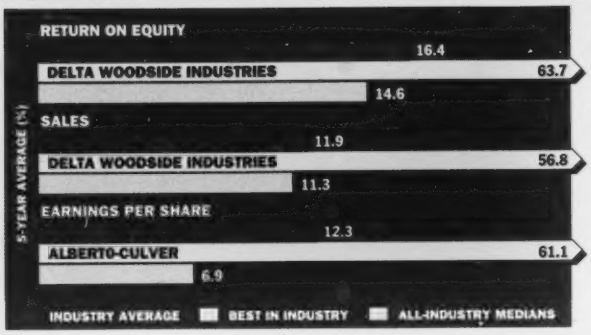
In 1991 GM may lose some volume and profit in Europe because of the changeover for a new Kadett, its bestseller, a small car. "We are going to sell what we can make next year, but we're going to be capacity constrained," Smith says.

Asia-Pacific is GM's second international priority. The General gets 35% of the market at home, 12% in Western Europe, but just a few percentage points of the business in all of the Asia-Indian landmass and island states. Smith's strategy: Get back into India and China and strengthen operations in Southeast Asia with Asian-made cars.

"This market will be as large as Europe and the U.S. by the end of this century, perhaps earlier," he says, and he'd like GM to have 10% of that in a decade.

Why are GM's international operations so successful? Times have been good in Europe and Asia, but GM management has done an exceptionally fine job of capitalizing on the prosperity. Credit Jack Smith. Credit, too, the fact that GM management in Detroit hasn't tried to micro-manage Europe but has given it the freedom to make its own decisions keyed to local market conditions.—J.F.

CONSUMER NONDURABLES



Old dresses and carpets can be made to do, but teeth must still be brushed.

By Katherine Weisman

IF BAROMETERS OF CONSUMER OPINION can be trusted, the next several months will not be kind to much of this industry. Conference Board economist Albert Sommers estimates that U.S. consumers spent about $1.2 trillion on nondurables in 1990, up 5.4% from 1989. In 1991 such spending is expected to grow only 2.5%—with modest inflation factored in, the business would actually shrink somewhat. Retailers have been watching their shelves carefully all year, forcing inventory problems back on the manufacturers.

The apparel downturn started in late 1989. As department

Consumer nondurables	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Personal products											
Stanhome	**27.5**	28.1	28.9	0.7	**12.0**	22.3	**25.9**	14.9	651	50	7.6
Johnson & Johnson	**26.5**	26.8	22.1	19.6	**10.4**	16.0	**21.6**	4.5	11,003	1,114	10.1
Gillette	**24.1**	47.6	22.9	50.9	**11.7**	11.3	**17.9**	10.6	4,155	341	8.2
Colgate-Palmolive	**21.6**	21.0	14.5	25.5	**NM**	10.7	**33.4**	–10.7	5,497	310	5.7
Gibson Greetings	**21.5**	17.2	15.8	11.1	**8.6**	15.8	**8.1**	1.6	503	39	7.8
Kimberly-Clark	**20.7**	20.8	13.3	20.4	**9.8**	9.9	**17.4**	6.1	6,224	432	6.9
Tambrands	**19.5**	8.4	6.9	0.0	**8.9**	5.2	**10.7**	–68.0	615	21	3.4
Scott Paper	**19.2**	13.6	8.5	42.3	**13.3**	3.0	**24.4**	–24.4	5,207	271	5.2
Clorox	**19.1**	18.5	16.7	18.3	**6.5**	9.1	**9.5**	17.4	1,520	147	9.7
Alberto-Culver	**17.6**	21.3	16.5	26.5	**16.2**	10.9	**61.1**	15.6	796	35	4.4
Carter-Wallace	**16.6**	15.1	14.6	5.0	**9.5**	11.4	**19.3**	6.9	594	52	8.8
Block Drug	**15.7**	14.1	13.5	5.0	**12.6**	11.4	**12.7**	11.3	466	50	10.6
Helene Curtis Inds	**15.0**	5.8	4.6	40.4	**16.4**	10.6	**27.3**	–50.3	767	8	1.1
Procter & Gamble	**14.7**	20.2	15.1	20.2	**11.1**	14.5	**NM**	12.6	25,016	1,593	6.4
Greyhound Dial	**9.7**	1.4	5.8	62.7	**3.3**	0.2	**NM**	–85.7	3,517	16	0.5
Service Corp Intl	**3.4**	def	def	54.0	**18.2**	–0.1	**NM**	P-D	555	–38	def
Avon Products	**def**	21.2	12.6	53.4	**2.4**	2.5	**NM**	–42.3	3,360	82	2.4
First Brands	**NA**	29.9	14.3	65.5	**NA**	–5.6	**NA**	–19.6	1,099	48	4.4
Medians	**19.1**	**19.3**	**14.4**	**22.9**	**10.4**	**10.7**	**17.4**	**3.1**	**1,310**	**51**	**6.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

store chains like Federated and Ames foundered, inventories began to build at the apparel makers. A disappointing back-to-school season also hurt clothing firms. Reebok International, normally a consistent growth machine, reported third-quarter earnings per share of 36 cents, versus 44 cents for the same period last year. Third-quarter net income at Gitano Group, a sportswear maker, was 27% lower than in 1989.

Bucking the trend, Liz Claiborne, which makes quality apparel, had a 28% increase in latest 12-month earnings. In 1980 Claiborne's revenues were $80 million; for 1990 they could hit $1.7 billion. "Claiborne is the only company we follow where we haven't had to lower our earnings forecasts," notes Prudential-Bache analyst Deborah Bronston.

The apparel downturn—together with the slumping auto and construction industries—hit the textile manufacturers, too. Worse, synthetic fiber prices could rise 10%. Prices on cumene, a key petrochemical derivative used in nylon, are up 45% over 1989. Margins are being further squeezed because consumers are buying fewer home accessories.

There are exceptions, notably Shaw Industries, the largest and probably most efficient U.S. carpetmaker. While the real estate industry is in the tank, Shaw's per-share earnings are up almost 20% over the latest 12 months. A low-cost producer with a strong commercial base, Shaw keeps competitors at bay, and should hold on to its 20% share of the U.S. market.

Toy companies are a hard-to-predict group. In the 1982

Consumer nondurables	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Apparel & shoes											
LA Gear	83.2a	27.8	29.8	0.0	NM	70.9	NM	–13.4	879	50	5.7
Reebok International	45.1	20.2	18.6	10.5	52.6	15.4	26.8	16.3	2,048	172	8.4
Gitano Group	41.5b	24.7	14.6	38.0	27.2	42.9	19.6	12.0	800	33	4.1
Liz Claiborne	40.2	31.4	29.9	2.2	29.1	23.5	28.0	27.5	1,637	191	11.6
Phillips-Van Heusen	36.0	16.1	14.8	53.4	4.4	8.8	12.0	–5.2	774	24	3.1
NIKE	26.8	39.1	37.3	2.8	10.9	36.8	47.2	42.3	2,466	267	10.8
Stride Rite	24.7	32.4	28.9	3.0	10.1	11.5	53.2	28.3	505	54	10.6
Fruit of the Loom	22.5a	28.3	11.2	66.0	18.2	17.0	NM	2.7	1,448	93	6.4
VF	19.9	15.8	10.5	40.8	18.6	4.6	6.7	–13.9	2,588	131	5.1
Kellwood	19.2	2.1	3.6	37.2	5.7	–4.1	16.1	–87.0	774	4	0.5
Russell	18.5	17.0	11.9	28.1	13.4	13.8	18.5	13.4	723	70	9.7
Leslie Fay Cos	16.0	17.9	13.0	41.1	12.2	6.4	14.1a	2.0	830	29	3.4
Crystal Brands	7.4a	8.9	9.1	55.8	9.4	10.4	58.2a	–20.3	856	21	2.5
Oxford Industries	4.2	5.1	4.9	23.2	NM	–5.5	–7.9	–46.2	534	5	1.0
Salant	3.6	def	def	106.4	22.7	–14.1	NM	P-D	437	–36	def
Medians	**22.5**	**17.9**	**13.0**	**37.2**	**12.2**	**11.5**	**16.1**	**2.0**	**830**	**50**	**5.1**
Textiles											
Delta Woodside Inds	63.7	3.5	5.0	38.2	56.8	–9.6	85.5a	–84.3	511	5	0.9
Shaw Industries	24.8	29.6	17.0	54.3	21.5	28.2	16.7	19.9	1,564	65	4.2
Guilford Mills	13.6	def	def	30.9	13.5	–13.9	4.3	P-D	531	–9	def
Salem Carpet Mills	13.4	5.5	5.5	49.6	11.4	10.0	8.3	–53.1	456	4	0.8
Dixie Yarns	13.4	3.9	3.9	38.8	21.4	–5.3	15.5	–47.5	560	7	1.3
DWG	10.4	def	4.9	70.3	13.4	2.9	NM	D-D	1,226	–12	def
Fieldcrest Cannon	5.6	def	3.2	59.2	22.4	–5.3	17.5	P-D	1,282	–4	def
Instrument Systems	def	19.3	10.9	57.7	28.9	14.3	NM	D-P	446	10	2.2
United Merchants	def	def	def	162.0	–3.6	–29.9	NM	D-D	350	–137	def
Medians	**13.4**	**3.5**	**4.9**	**54.3**	**21.4**	**–5.3**	**8.3**	**–84.3**	**531**	**4**	**0.8**
Photography & toys											
Fuqua Industries	16.3	3.5	4.4	30.4	2.1	1.5	–15.1	D-P	950	12	1.2
Mattel	14.8	43.5	24.3	23.8	4.3	20.3	NM	36.2	1,402	97	6.9
Eastman Kodak	13.6	4.7	4.7	46.6	13.1	3.3	NM	–65.1	18,643	317	1.7
Hasbro	13.4	10.7	10.6	6.3	11.0	4.1	NM	–3.3	1,444	85	5.9
Brunswick	12.8	9.4	7.8	26.8	19.2	–12.3	NM	D-P	2,579	82	3.2
Tonka	8.5	def	3.4	69.5	46.5	–12.6	NM	P-D	786	–22	def
Polaroid	7.4	15.8	15.3	29.1	9.5	0.7	39.3	72.4	1,914	143	7.5
Medians	**13.4**	**9.4**	**7.8**	**29.1**	**11.0**	**1.5**	**NM**	**36.2**	**1,444**	**85**	**3.2**
Industry medians	**16.4**	**15.8**	**11.9**	**37.2**	**11.9**	**9.1**	**12.3**	**–3.3**	**879**	**50**	**4.2**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

recession, revenues for the toy industry grew 13%. Some analysts expect the demand for videogames to peak this year—that might mean more room for traditional toys. But more powerful game systems from Sega, NEC and soon from Nintendo are attracting adults as well as kids.

Given the present economic environment, personal product companies stand to do reasonably well this year. Gillette and Colgate, for example, get over 60% of their revenues from outside the U.S.; stronger foreign currencies will enhance these companies' dollar results. Besides, it's more civilized to put off the purchase of a new dress or carpet than to stop shaving or brushing one's teeth. ■

The Great Ivory Way

You would think that a corporation with international sales of $9.6 billion wouldn't need to expand much more overseas. But Procter & Gamble Chairman Edwin L. Artzt thinks it does: "We think of it as the ultimate form of diversification."

Procter & Gamble's international sales represent 40% of its 1990 revenues of $24 billion. Under Artzt, 60, who had over 15 years' experience heading up P&G Europe and then international operations, foreign sales should account for 50% of P&G's revenues and 40% of profits by 1995.

These figures sound impressive, but smaller rival Colgate-Palmolive already derives 64% of its $5 billion in revenues from foreign operations. Jay Freedman, a Kidder, Peabody analyst, contends that Procter & Gamble's foreign growth was stifled because management was too Cincinnati-oriented.

Artzt, who became chief executive in January 1990, helped change this image. During his European tenure he decentralized management, giving local managers more decision-making authority.

After the restructuring, the European market remains P&G's strongest. To wipe out redundancies, Artzt created the "Eurobrand system," treating Europe as one big market.

Procter & Gamble now has major operations in 46 countries, up from 22 nine years ago, and has management on the ground in Eastern Europe to grab new consumers there. Interestingly, the company already sells as much toothpaste in the Soviet Union as it does in Canada.

After more than a decade, P&G's business in Japan has finally turned around, thanks mainly to Artzt, and now kicks in $1 billion in revenues. Using Europe's experience as a model, P&G now has a better understanding of Japanese consumers. When P&G wanted to launch Pert Plus, its two-in-one shampoo-conditioner, in Japan, it found that the name Pert Plus meant nothing to Japanese consumers. The main selling point in the U.S.—convenience—wasn't as important to the Japanese as product performance. Pert Plus was repackaged and renamed Rejoy.

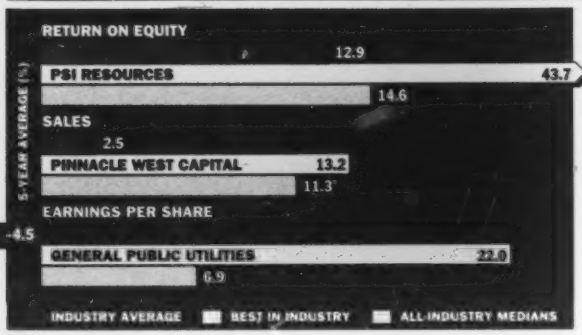
Acquisitions have fueled overseas expansion. P&G's 1985 purchase of Richardson-Vicks for $1.2 billion gave it well-known products, like Oil of Olay, with international appeal. The purchase brought P&G into India, Indonesia and Thailand, where Richardson-Vicks was already on the ground. European deals included the 1987 acquisition of Germany's Blendax, a personal products firm, and the 1989 joint venture with Spain's Agrolimen Group, a maker of diapers and sanitary napkins.

In the last two years Procter & Gamble acquired Noxell and Old Spice, whose foreign markets will probably be expanded. This doesn't mean Artzt is ignoring the U.S. "As time goes on, more innovation will occur outside the U.S.," he notes. "But up to now, and for the balance of this decade, a healthy U.S. business is the key to our success worldwide."—**K.W.**

Andy Snow SABA

Procter & Gamble's Edwin L. Artzt

ELECTRIC UTILITIES



Construction, conservation and outside generation will enable the industry to meet growing demand.

By Manjeet Kripalani

ONCE AGAIN, ELECTRIC UTILITIES have become a haven in a volatile market. Since the Gulf crisis began, Standard & Poor's utility stock index has done 16% better than its 500 stock index.

After a decade of curtailed plant construction, electric utilities have been breaking ground on new facilities. In the 1990s electric demand is expected to grow at a 2.5% average annual rate. Utilities must keep reserve capacity for summer heat waves and plant maintenance. Current reserve margins, at an estimated 21%, are considered ideal.

But even incorporating scheduled and possible capacity increases, the reserve margin is expected to fall below 16% by 2000. The Edison Electric Institute forecasts that the country will need 8% more capacity by the end of the century.

Becoming more self-sufficient

John Rowe, president and chief executive of New England Electric System, has made the future brighter for the utility by sharply decreasing its dependence on foreign oil—and Middle East uncertainties.

Back in 1979 the Westborough, Mass.-based utility generated 80% of its power with oil, mostly imported. Today New England Electric has cut oil consumption to only 27% of its power needs. Coal provides 44% of its energy; 17% comes from nuclear power; 11% from hydropower and alternate energy sources; 1% from natural gas.

Whereas the price of residual oil (used in power plants) rose to nearly $21 a barrel from $12 since mid-July, New England Electric's total generating costs will rise by just 2%. The company will spend $600 million to convert its major coal-fired plant to natural gas and expand capacity by 300 megawatts. This will also help it meet the demands of clean air legislation.

In addition, 115 megawatts were added to the utility's grid system when unit number 1 of the Seabrook nuclear facility went on stream. (New England Electric has a $600 million investment in 10% of the long-troubled project, which drove Public Service of New Hampshire into bankruptcy.)

New England Electric was one of the pioneers in sophisticated load-management systems designed to help customers save energy. Rowe expects the program to supply a third of the utility's increased capacity requirements by the year 2000. Within the same time frame, power bought from nonutility generators, such as municipal and private trash burners, could rise to 17% from 5% currently.

All these steps will give New England Electric 6,800 megawatts of total capacity by 2000—more than enough to meet the foreseeable needs of the region.

"We're just a plain vanilla utility," says Rowe. "We try to make risks commensurate with returns and keep our ego in check on things like acquisitions so we don't have unnecessarily large capital requirements in tough times." Plain—and safe.—**M.K.**

Millicent Harvey

John Rowe of New England Electric System

Approximately one-fourth of the needed new capacity is under construction, the rest is on the drawing board. Most of the new plants will be powered by turbine generators fueled by natural gas. No new nuclear facilities are planned.

The Clean Air Act of 1990 tacked on another $25 billion in expenses for the utilities. This will result in a drain on operating costs but will not be devastating to an industry that lays out that much annually in capital expenditures. And, of course, most of these expenses will be passed along to the ratepayers.

Regulatory commissions are encouraging utility-initiated conservation efforts. Under old regulations, utilities had little incentive to promote conservation: When consumers cut their use of electricity, the power companies had to fight with state regulators for higher rates in order to earn their allowable returns on capital. But under a program worked out

Electric utilities	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Northeast											
Potomac Electric	17.3	12.6	6.7	47.3	2.3	1.5	5.9	–15.9	1,400	187	13.3
Baltimore G&E	15.0	9.3	5.9	40.1	2.3	11.1	3.6	–24.8	2,160	227	10.5
General Public Utils	14.2	13.7	7.5	34.5	0.7	3.4	22.0	8.3	2,975	282	9.5
Atlantic Energy	14.1	12.2	7.0	37.0	5.3	4.5	6.4	–6.2	725	79	10.9
Allegheny Power	14.0	12.0	7.4	40.2	5.9	4.4	1.3	–6.0	2,310	191	8.3
Orange & Rockland	13.7	13.3	8.2	44.8	NM	7.3	3.0	15.5	560	45	8.1
Pennsylvania P&L	13.6	14.9	7.6	39.8	6.9	8.3	7.0	16.6	2,434	365	15.0
Delmarva Power & Lt	13.6	12.4	6.9	37.0	2.2	4.9	NM	1.8	818	89	10.9
Consolidated Edison	13.6	11.8	7.7	34.2	–1.1	6.5	2.9	–7.3	5,742	556	9.7
Pub Svc Enterprise	13.3	12.5	7.3	40.4	1.7	5.4	2.3	–3.5	4,895	524	10.7
Commonwealth Energy	13.0	10.2	5.6	39.0	1.9	8.7	–4.7	–15.4	832	33	4.0
Philadelphia Elec	12.6	3.0	4.7	50.9	2.6	9.2	NM	–76.0	3,650	209	5.7
Northeast Utilities	12.0	12.5	7.1	47.3	NM	6.4	–7.4	–3.4	2,299	219	9.5
NY State E&G	11.4	12.0	6.4	42.1	4.1	5.1	–11.3	–0.4	1,486	160	10.8
Central Maine Power	11.2	11.3	7.8	40.0	6.8	9.7	NM	23.1	760	50	6.6
Rochester G&E	10.8	10.0	6.7	47.7	1.4	4.6	–15.7	4.6	844	63	7.5
American Water Works	10.5	8.0	6.6	49.2	5.4	6.2	1.8	–8.2	555	49	8.8
New England Electric	9.6	22.5	9.3	43.5	1.9	14.4	–4.9	116.5	1,813	272	15.0
Central Hudson G&E	9.5	11.0	7.2	46.9	–2.8	8.3	–14.2	3.5	495	41	8.3
Boston Edison	6.8	def	1.6	42.6	NM	–0.2	NM	P-D	1,240	–18	def
Niagara Mohawk Power	6.7	8.0	6.2	49.1	0.9	9.0	–24.0	66.2	3,107	197	6.3
Long Island Lighting	3.0	9.6	8.2	57.4	3.1	8.4	NM	D-P	2,451	258	10.5
United Illuminating	def	12.1	4.5	50.2	0.8	9.8	NM	D-P	580	49	8.4
Public Service NH	def	def	def	78.1	3.9	7.0	NM	P-D	647	–350	def
Medians	12.3	11.9	6.9	43.1	2.1	6.8	–6.2	–1.9	1,443	174	9.1
North central											
PSI Resources	43.7	20.4	10.2	39.9	2.8	–3.1	13.9	14.1	1,016	114	11.2
Cincinnati G&E	17.4	16.6	8.9	42.2	NM	4.7	9.5	4.8	1,462	235	16.1
Minnesota Power & Lt	16.2	11.7	7.3	35.4	2.7	2.2	4.8	–20.8	475	75	15.9
Wisconsin Energy	15.6	13.7	9.5	37.9	1.1	–3.4	5.6	12.6	1,456	187	12.9
Ipalco Enterprises	15.5	13.9	8.3	32.3	6.3	2.6	4.6	3.5	610	99	16.2
Union Electric	14.6	15.8	8.3	38.4	7.6	3.7	12.0	28.9	2,053	324	15.8
No States Power	14.5	14.8	7.8	30.2	2.6	8.0	1.9	21.2	2,133	240	11.3
DPL	14.3	14.8	9.3	45.4	–0.9	1.1	15.3	5.1	965	147	15.2
American Electric	14.1	13.1	7.7	39.7	0.5	5.7	5.1	–5.7	5,274	563	10.7
WPL Holdings	14.0	15.6	10.2	36.8	0.8	1.2	–0.8	47.6	611	66	10.8
Wisconsin Public Svc	13.8	12.1	8.7	28.1	–1.9	–4.6	NM	–0.5	576	49	8.5
Iowa-Illinois G&E	13.8	11.7	5.9	40.0	–3.4	3.3	0.6	–8.3	499	53	10.6
CILcorp	13.4	11.0	5.8	28.7	–3.1	14.4	4.4	–20.2	514	37	7.2
Midwest Resources	13.2	11.0	6.1	40.0	5.5	–0.9	4.9a	–22.5	915	69	7.6
Ohio Edison	12.1	11.8	8.0	43.1	5.9	2.7	–7.7	37.5	2,201	330	15.0
Cipsco	12.1	11.4	6.3	31.8	–3.7	1.0	NM	–16.0	608	74	12.1
IE Industries	12.0	22.5	9.5	40.6	–1.5	4.2	3.8	92.5	449	64	14.2
Commonwealth Ed	11.4	def	3.1	47.7	3.4	–9.2	–9.3	P-D	5,260	83	1.6
Kansas City P&L	11.0	12.4	6.4	33.8	5.3	5.7	NM	18.9	761	110	14.4
DQE	11.0	11.6	6.5	46.1	5.1	1.5	–2.8	11.5	1,138	122	10.8

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

between Pacific Gas & Electric and the California Public Utilities Commission, for example, the utility gets to keep 15 cents of every dollar of power saved.

Taking a lesson from other manufacturers, utilities have also been buying more power from outside contractors. These independent power producers are generally smaller, less regulated and have lower production costs than the established utilities. Virginia Power, for example, gets 6% of its power from independent producers. Overall, nonutility generators currently provide over 3% of the electricity used in the U.S. The North American Electric Reliability Council estimates that this contribution will double by 2000.

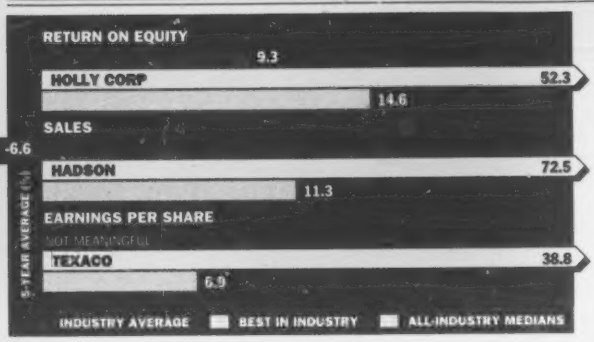
For the electric utility industry, this will be a dynamic and challenging decade. During the 1982 recession, electricity demand dropped by 2.8%. Despite recession fears, demand is up 2.5% from last year. ■

Electric utilities	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
CMS Energy	10.1	11.2	5.5	47.7	–2.5	0.9	NM	–28.8	2,987	219	7.3
Detroit Edison	9.4	19.2	9.0	53.6	4.6	4.0	5.1	D-P	3,298	491	14.9
Centerior Energy	7.8	7.8	5.7	40.4	4.8	5.0	–11.0	D-P	2,343	218	9.3
Nipsco Industries	7.7	7.3	5.0	38.9	–5.6	1.0	NM	–38.9	1,549	84	5.4
Kansas Gas & Elec	7.6	9.4	5.9	42.9	6.1	9.2	NM	19.6	580	60	10.4
Illinois Power	2.1	2.1	3.9	45.5	1.3	5.6	NM	D-P	1,360	70	5.2
Medians	**13.3**	**11.9**	**7.5**	**39.9**	**1.9**	**2.7**	**1.3**	**8.3**	**1,077**	**105**	**11.0**
Southeast											
Florida Progress	15.2	11.6	6.6	33.2	8.6	–3.8	4.4	–17.0	1,997	160	8.0
TECO Energy	15.2	15.5	8.3	32.5	7.4	2.2	5.4	4.3	1,080	136	12.6
Kentucky Utilities	14.6	15.1	10.3	37.9	0.4	6.0	7.6	20.6	553	85	15.4
Scana	14.3	20.0	9.4	33.1	NM	2.9	NM	50.5	1,141	184	16.1
Duke Power	13.9	14.5	8.4	34.3	6.6	3.2	4.4	25.5	3,718	580	15.6
Dominion Resources	13.8	14.4	8.0	45.6	7.2	1.3	4.9	26.4	3,656	493	13.5
FPL Group	13.5	def	def	40.0	10.3	1.3	3.6	P-D	6,179	–362	def
Southern Company	12.8	9.1	6.9	47.4	3.5	7.4	–4.3	–30.1	7,904	621	7.9
LG&E Energy	12.6	10.5	6.2	35.2	NM	5.0	NM	–16.9	698	63	9.1
Carolina Power & Lt	12.4	10.8	6.7	38.0	5.8	5.1	NM	–17.2	2,560	315	12.3
Medians	**13.8**	**13.0**	**7.5**	**36.6**	**6.2**	**3.0**	**4.0**	**–6.3**	**2,279**	**172**	**12.5**
South central											
Southwestern Pub Svc	16.8	17.6	9.9	34.8	–0.7	–3.7	–2.0	11.4	769	119	15.5
Oklahoma G&E	14.4	16.0	8.0	35.2	1.5	12.5	5.8	18.0	1,232	141	11.5
Central & So West	13.8	13.3	7.1	32.7	–1.9	7.1	NM	19.2	2,685	351	13.1
Texas Utilities	13.6	14.3	8.5	41.7	1.4	4.5	NM	22.0	4,431	938	21.2
Houston Industries	12.8	11.1	6.6	43.7	–2.2	8.7	–3.9	19.7	4,064	408	10.1
Gulf States Utils	4.2	def	2.4	39.8	NM	4.7	NM	D-D	1,667	–46	def
Entergy	2.9	10.2	6.9	47.8	3.3	6.3	NM	D-P	3,939	423	10.7
El Paso Electric	def	def	def	48.8	10.6	5.2	NM	D-D	437	–58	def
Medians	**13.2**	**12.2**	**7.0**	**40.7**	**0.4**	**5.8**	**NM**	**18.6**	**2,176**	**246**	**11.1**
Western											
SCEcorp	15.1	13.7	8.7	42.5	6.9	3.5	2.0	–5.7	7,063	723	10.2
San Diego G&E	14.6	16.2	9.5	39.6	5.7	–14.5	NM	20.5	1,736	214	12.4
PacifiCorp	14.3	14.7	7.6	48.5	5.9	3.3	5.6	4.6	3,778	460	12.2
Public Service Colo	14.3	14.9	8.4	38.9	–0.8	–5.4	NM	–6.9	1,638	149	9.1
Puget Sound P&L	12.9	11.6	8.0	46.6	5.4	4.2	12.3	–12.6	910	116	12.8
Hawaiian Electric	11.8	9.6	6.4	34.7	5.8	13.1	5.7	–15.2	962	55	5.7
Montana Power	9.5	9.4	6.9	37.4	7.5	6.9	NM	–2.3	811	79	9.8
Pacific G&E	7.9	10.5	7.4	42.6	NM	8.0	–9.5	225.0	9,165	874	9.5
Tucson Electric	7.5	def	def	61.4	9.7	–16.5	NM	D-D	515	–118	def
Portland General	5.0	0.2	3.1	37.2	NM	5.9	NM	–97.7	836	2	0.2
Public Service NM	2.4	0.7	3.2	41.6	11.9	–4.1	–13.1	D-P	865	15	1.8
Pinnacle West	def	def	def	55.5	13.2	2.6	NM	D-D	1,560	–494	def
Medians	**10.7**	**10.0**	**7.1**	**42.0**	**5.8**	**3.4**	**NM**	**–6.3**	**1,261**	**98**	**9.3**
Industry medians	**12.9**	**11.7**	**7.0**	**40.2**	**2.5**	**4.7**	**–4.5**	**3.5**	**1,428**	**129**	**10.5**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

ENERGY



How high could oil prices go during a Mideast war? How low could they sink afterwards?

By Toni Mack

OILMEN HAVE SADDAM HUSSEIN to thank for boosting the price of the U.S. benchmark crude over $40 a barrel last year, more than twice its summertime low. War with Iraq could shove the price from around $26 recently to above $50. After resolution of the crisis? Assuming Saudi Arabia's oilfields are intact, ample supplies are likely to push the price below $20, perhaps as low as $10.

High crude prices have squeezed refining margins, as oil companies were unable to pass along all their increased costs. Margins should be somewhat plumper in 1991, despite a likely drop of 1% to 2% in U.S. gasoline demand. Oil companies' chemical units will remain in a cyclical depression brought on by overcapacity and weak demand.

In the 1990s refiners and chemical producers will be investing tens of billions of dollars to meet Clean Air Act requirements and other environmental rules. Amoco alone, for example, expects to spend $3 billion to $4 billion.

Oil service companies will enter their third year of recovery

Energy	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Major oils											
Exxon	14.2	12.6	8.5	13.5	NM	17.9	-3.8	3.0	98,293	3,940	4.0
Amoco	12.9	12.4	8.7	22.7	-3.4	9.7	NM	3.1	25,562	1,694	6.6
Mobil	12.1	10.1	7.9	16.3	-2.4	20.1	9.9	-7.7	53,351	1,724	3.2
Chevron	8.1	4.1	4.1	23.8	-9.5	22.9	-22.8	-55.0	33,866	641	1.9
Texaco	7.6	14.4	10.8	25.6	-7.6	5.0	38.8	-49.9	34,832	1,349	3.9
Medians	12.1	12.4	8.5	22.7	-7.6	17.9	-3.8	-7.7	34,832	1,694	3.9
Other oil & gas											
Holly Corp	52.3	500.0+	39.3	49.8	NM	15.2	33.4	-27.7	438	24	5.5
Union Texas Petrol	37.4	8.9	8.8	42.6	-15.3	20.9	NM	-80.3	1,143	72	6.3
Charter	33.2	def	def	13.7	-28.6	-11.1	NM	P-D	575	-14	def
Getty Petroleum	27.7	10.0	8.5	44.2	31.0	8.4	20.5a	-51.4	1,157	12	1.0
Atlantic Richfield	23.8	23.4	12.7	35.5	-7.4	3.0	47.5b	-17.5	16,344	1,525	9.3
Tosco	22.8	62.6	17.8	55.9	-5.0	54.7	NM	161.9	1,946	112	5.8
Mapco	18.4	28.7	14.3	47.8	NM	26.2	9.4	38.0	2,430	133	5.5
Phillips Petroleum	15.6	2.0	5.7	47.4	-5.6	3.2	NM	-92.4	12,549	49	0.4
Diamond Shamrock	15.1b	21.2	12.3	40.5	-2.9	22.8	NM	-0.7	2,434	78	3.2
El du Pont de Nemours	14.6	15.1	10.7	21.3	3.4	7.1	15.7	-2.7	37,428	2,325	6.2
Ashland Oil	14.0	16.2	10.2	43.5	NM	6.4	NM	111.0	8,498	182	2.1
PS Group	10.7	def	2.6	45.3	-24.5	11.5	NM	P-D	276	-3	def
American Petrofina	10.1	9.1	7.0	37.3	6.8	19.9	NM	-34.2	3,542	97	2.7
Amerada Hess	9.4	12.4	8.2	44.6	-9.8	14.7	NM	-32.0	6,092	318	5.2
Crown Central Pet	8.8	7.0	6.0	12.5	-3.9	64.0	NM	-44.4	1,947	22	1.1
Unocal	8.4	14.6	7.9	51.3	NM	0.7	-25.3	-21.1	9,932	337	3.4
USX	7.5	14.4	9.0	45.5	NM	5.3	NM	-5.0	18,126	795	4.4
Kerr-McGee	5.2	8.6	6.7	29.6	-3.7	15.6	NM	-12.4	3,443	138	4.0
Occidental Petroleum	4.2	5.0	6.0	53.7	6.6	1.9	-19.4	35.0	20,680	320	1.6
Sun Company	4.0	1.1	1.4	22.3	-9.5	12.7	-27.7	-89.3	10,855	8	0.1
Quaker State	3.1	5.7	4.7	15.1	-2.8	5.3	-19.6	12.3	862	17	2.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

Ahead of the pack

Doug Milner

Donald McIvor of Exxon

Oilmen nowadays are heading overseas, where they expect bigger and thus lower-cost discoveries than in the much explored U.S. No American company can claim to do a better job punching holes abroad than Exxon. Salomon Brothers analyst Bernard Picchi recently surveyed the years 1982 to 1989 and found that Exxon's foreign reserves swelled by 21% over the period, to 6.7 billion barrels, at a per-barrel cost 15% below the industry average.

"Exploration is done by analogy," says Donald McIvor, 62, Exxon's Canadian-born senior vice president for exploration and production. "Every time you do it, you draw on your store of memories." Eight decades of such efforts provide Exxon with a storehouse of knowledge of hydrocarbon-bearing geologic structures, so that it can use its understanding of Canada's underground limestone reefs, for example, to find oil and gas in similar formations in Indonesia.

Exxon drilled its first foreign well in Romania, in 1911. Now it reaps two-thirds of its production earnings from abroad. Companies that only recently expanded foreign exploration, such as Atlantic Richfield, will have to wait several years to see earnings from their efforts. Exxon already explores in 23 countries and is in the process of negotiating exploration deals in 10 more. It spends about 60% of its exploration budget—$1.2 billion in 1990—outside North America. Its current inventory of foreign exploration acreage, the raw material for new discoveries, stands at a huge 80 million acres and covers known producing areas like the North Sea as well as new territory like Chad and Papua New Guinea.

Exxon Chairman Lawrence Rawl likes to say that oil is a high-tech commodity business. Vice President McIvor has been quick to adopt new technology like three-dimensional seismic surveys and a patented method of mapping circular formations, such as salt domes, around the globe. This helps Exxon find oil and gas more efficiently.

This expertise is reflected in Exxon's recent stock price of 50¾, near its asset value of $50 per share. Investors are taking a wait-and-see attitude toward upcoming criminal trials over the *Valdez* spill. Analyst Picchi estimates potential penalties at $1 billion to $3 billion, on top of the $2 billion Exxon has already spent.—**T.M.**

Energy	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital**		**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**latest 12 mos %**	**Debt/ capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Valero Energy	**1.1**	12.0	9.6	14.0	**–23.3**	28.2	**NM**	50.9	1,101	69	6.2
Louisiana Land	**0.5**	8.7	6.3	38.0	**–11.4**	15.4	**NM**	8.0	791	38	4.8
Murphy Oil	**0.2**	13.6	10.5	17.4	**–6.7**	12.4	**NM**	104.6	1,803	105	5.8
Harken Energy	**def**	def	def	53.1	**NM**	–16.1	**NM**	P-D	923	–37	def
Hadson	**def**	def	def	113.8	**72.5**	–29.2	**NM**	D-D	553	–159	def
Petroleum Heat & Pwr	**def**	NE	def	87.2	**17.6**	21.4	**NM**	D-D	587	–17	def
Pennzoil	**def**	def	1.1	46.9	**–2.9**	–15.2	**NM**	P-D	1,902	–39	def
Tesoro Petroleum	**def**	10.1	11.1	35.0	**–23.3**	32.0	**NM**	D-P	1,007	23	2.3
Maxus Energy	**defb**	NE	4.4	67.6	**–17.1**	11.0	**NM**	D-D	635	–13	def
Oryx Energy	**NA**	6.0	5.9	63.7	**–17.7**	49.2	**NA**	130.0	1,659	99	6.0
Medians	**8.6**	**8.9**	**7.0**	**44.2**	**–9.5**	**12.4**	**NM**	**–21.1**	**1,902**	**69**	**2.7**
Oilfield services											
Dresser Industries	**6.1**	10.6	10.3	11.3	**NM**	9.2	**NM**	6.8	4,195	170	4.0
Schlumberger	**6.0**	17.9	17.0	9.1	**–5.3**	6.6	**NM**	23.9	5,039	517	10.3
Halliburton	**1.3**	8.8	8.2	8.1	**NM**	24.1	**NM**	90.2	6,697	186	2.8
Baker Hughes	**def**	13.1	12.3	33.2	**–7.3**	12.3	**NM**	65.6	2,614	142	5.4
Smith International	**def**	2.5	6.6	56.6	**–18.5**	16.6	**NM**	D-P	351	4	1.2
Baroid	**NA**	NA	NA	37.6	**–12.6**	15.2	**NA**	64.7	561	19	3.4
Medians	**1.3**	**10.6**	**10.3**	**22.3**	**–15.5**	**13.8**	**NM**	**65.2**	**3,405**	**156**	**3.7**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

from a seven-year depression. Prices for many drilling items are rising. Buyers pay premiums for such products as a Baker Hughes bit that drills faster, and Baroid drilling muds that are less toxic to the environment. Merrill Lynch analyst Suzanne Cook expects service companies' earnings to climb at least 20% in 1991, after a 30% to 50% jump last year.

Natural gas companies pray that this winter will, at long last, be at least normally frosty. Gas demand peaks in winter, but mild weather in recent years has made for anemic pricing: flat for the last four years. The lower the thermometer goes this winter, the higher gas prices will rise.

Most pipelines are looking for ways to recover from customers part of the billions of dollars they paid to get out of old, high-priced gas supply contracts. A court struck down the recovery mechanism they had been using. Brooklyn Union Gas President Robert Catell sees two boons for distributors: Falling interest rates help this capital-hungry business, and high heating-oil prices encourage switching to gas.

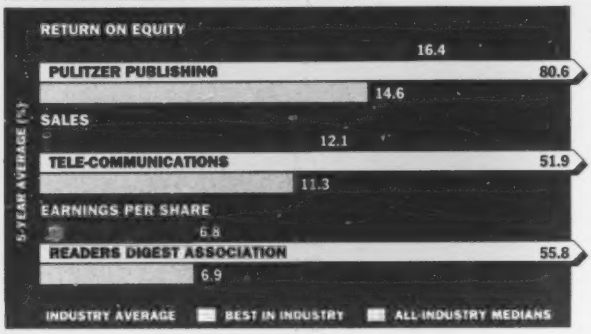
Record production and stockpiling by some utilities weakened coal prices in 1990. This year, absent a frigid winter and torrid summer, a slow economy is likely to keep electricity demand flat and thus prices soft. In 1992 or 1993 low-sulfur coal producers like Pittston and Westmoreland Coal will start to see modest benefits from the Clean Air Act. ■

Energy	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity				Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	Return on capital latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Gas producers & pipeliners											
Coastal Corp	13.4	11.4	7.2	56.1	5.4	5.8	8.3	2.4	8,637	202	2.3
Enron	11.0	14.9	7.6	45.0	–6.3	21.2	NM	107.5	11,195	263	2.4
Sonat	4.3	7.4	6.2	44.6	–10.3	–11.5	NM	–15.4	1,501	86	5.7
Williams Cos	3.8	3.6	4.5	46.2	–14.1	11.7	NM	58.6	1,819	48	2.7
Mitchell Energy	2.9	5.1	3.3	49.8	–7.8	12.0	NM	90.9	672	30	4.4
Transco Energy	1.3	6.5	5.5	47.8	–5.6	19.1	NM	D-P	3,191	70	2.2
Panhandle Eastern	def	4.8	5.8	61.7	–7.5	67.9	NM	D-P	3,246	63	2.0
Burlington Resources	NA	7.1	5.9	24.8	–20.4a	4.9	NA	–49.0	1,818	226	12.4
Medians	**3.8**	**6.8**	**5.9**	**47.0**	**–7.6**	**11.9**	**NM**	**74.8**	**2,505**	**78**	**2.5**
Gas distributors											
MCN	18.9b	12.4	7.0	41.5	–9.5	–6.3	NA	–27.2	1,217	38	3.1
Nicor	16.8	18.5	9.3	26.3	–8.9	1.5	NM	11.1	1,591	121	7.6
Peoples Energy	15.6	12.8	7.7	35.9	–8.6	–1.9	NM	–13.4	1,165	68	5.8
UtiliCorp United	14.5	11.5	7.5	38.8	28.4	19.1	3.4	–2.1	812	52	6.4
Laclede Gas	14.5	7.8	6.5	37.1	–6.9	–1.2	–3.3	–40.2	481	14	3.0
Piedmont Natural Gas	14.5	14.1	8.0	40.5	1.4	–5.0	9.5	0.8	407	26	6.4
Washington Gas Light	13.9	12.7	8.5	35.9	–2.2	–2.7	NM	3.3	736	50	6.8
Kansas Power & Light	13.7	11.6	6.8	37.7	–5.1	7.8	–3.0	–0.5	1,183	73	6.2
Southwest Gas	13.6	8.7	6.1	59.0	13.6	2.3	5.1	–19.3	849	31	3.7
Brooklyn Union Gas	13.2	10.7	6.8	41.8	–2.3	2.5	NM	–15.1	994	56	5.7
Wicor	13.1	9.3	8.3	30.9	–3.1	–5.7	NM	–28.8	698	24	3.4
UGI	12.0	9.3	7.5	31.5	–12.6	9.3	17.7b	–29.2	343	25	7.3
Atlanta Gas Light	11.4	10.4	7.1	38.8	–5.3	6.6	NM	6.3	1,001	46	4.6
Eastern Enterprises	9.2	12.9	8.9	29.4	–12.9	18.3	39.4b	9.5	934	64	6.9
Diversified Energies	8.4	3.6	4.0	34.6	–2.3	–7.5	NM	–74.2	759	9	1.2
Medians	**13.7**	**11.5**	**7.5**	**37.1**	**–5.1**	**1.5**	**NM**	**–13.4**	**849**	**46**	**5.8**
Integrated gas											
Consol Natural Gas	11.9	9.4	5.9	26.0	–5.9	9.7	–2.7	1.1	2,861	161	5.6
National Fuel Gas	11.8	11.1	7.3	38.9	–6.0	4.2	–2.5	–5.2	892	52	5.8
Pacific Enterprises	11.2	def	1.3	37.0	6.5	5.4	NM	P-D	6,927	–59	def
Equitable Resources	10.9	9.8	6.7	27.0	–2.7	39.3	–10.3	–2.5	628	49	7.9
Questar	8.4	10.5	7.5	30.3	–6.6	5.9	–11.8	7.4	517	52	10.1
Oneok	7.4	10.0	7.2	29.6	–13.9	8.0	–19.0	–6.2	668	33	4.9
Columbia Gas System	6.8	7.2	5.0	35.8	–7.6	4.3	14.0b	–8.6	2,945	117	4.0
KN Energy	3.8	12.5	8.2	36.1	–5.7	13.4	NM	D-P	382	20	5.2
Arkla	2.4	15.9	7.4	50.0	18.6	14.1	NM	D-P	2,347	113	4.8
Enserch	def	9.9	6.1	44.5	–5.3	4.1	NM	56.5	2,792	83	3.0
Medians	**7.9**	**10.0**	**7.0**	**35.9**	**–5.8**	**7.0**	**–15.4**	**–0.7**	**1,620**	**52**	**5.1**
Coal & other											
Nacco Industries	21.3	16.8	8.5	66.4	13.7	45.2	16.5	14.7	1,380	51	3.7
Cyprus Minerals	11.4	10.2	9.8	14.0	22.8	3.4	147.8b	–54.6	1,825	137	7.5
Westmoreland Coal	def	9.7	8.7	17.4	–0.6	–5.7	NM	9.2	567	15	2.6
Pittston	def	3.1	3.8	22.4	6.2	7.6	NM	–53.9	1,765	13	0.7
Medians	**5.5**	**10.0**	**8.6**	**19.9**	**9.9**	**5.5**	**NM**	**D-P**	**1,573**	**33**	**3.1**
Industry medians	**9.3**	**10.0**	**7.2**	**37.6**	**–6.6**	**9.2**	**NM**	**–2.5**	**1,659**	**63**	**4.0**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

ENTERTAINMENT & INFORMATION



After glittering on Wall Street for much of the 1980s, many of Tinseltown's entertainment companies look rather tarnished.

By Kathryn Harris

THE COMEUPPANCE HAS BEEN BRUTAL: 1990 confirmed that most entertainment and information companies had fallen out of favor with investors. The freshest evidence was MCA's inability to fetch the $80 to $90 per-share price anticipated in its sale to Matsushita Electric Industrial Co. MCA settled for a cash and securities deal valued at $71. Meanwhile, the failure rate accelerated for smaller movie companies, with at least three more seeking bankruptcy protection.

Judging by last year's domestic box office receipts (nearly $5 billion) and home video rentals (over $7 billion), the movie business isn't doing badly. But Wall Street and Hollywood sources say the industry has reached a crisis point with runaway costs.

In broadcasting, the news isn't much better. Network viewership continues to erode, and advertisers are spending more of their money on cable or other media. But even cable—the longtime darling of Wall Street and lenders—is suffering now from an inability to borrow money.

Newspaper advertising revenue showed only a 1.7% gain in 1990, according to PaineWebber analyst Ken Noble, who adds that the credit crunch has depressed all categories of local advertising, including TV stations and radio.

In consumer book publishing, margins have been under pressure in part because of big advances to authors. But overall, Noble says, book publishing is "not very cyclical" and some categories even prosper in recessions: college textbooks—because so many people return to campus when they can't find a job—and inspirational or religious books. ■

Exporting Hollywood

Hollywood has muted its boast of being one of the nation's biggest exporters. Business overseas is still booming, but five out of the eight major studios now belong to foreign-based companies, if the pending Matsushita purchase of MCA is counted.

Only Time Warner insists it will remain in American hands and lead the pack in foreign expansion. Time Inc. and Warner Communications justified their merger plan in 1989 by arguing that an American company had to be large enough to compete globally.

Here is the wrinkle: The company took on nearly $11 billion in debt and now is searching for foreign investors who'll settle for a minority stake in certain Time Warner businesses. Yet the co-chief executives, Steven J. Ross and Nicholas J. Nicholas Jr., insist the search for partners has more to do with global expansion than with reducing debt.

Time Warner already derives 23% of its revenues from operations outside the U.S. The goal, says Nicholas, is to push the figure closer to 50%, as new markets open in Eastern Europe, Asia and other corners of the earth.

Christopher Little

Time Warner's Nicholas, Ross

Warner's music group is a key element: Fully half that division's 1989 revenues of $2.5 billion came from foreign markets. The company's roster includes American artists like Madonna and Paul Simon, who are big sellers overseas. But in television programming the specter of quotas could inhibit the amount of U.S.-produced fare permitted to air on stations now proliferating in Europe. So Time Warner has also invested in a Scandinavian pay TV venture, a Hungarian cable TV system, and multiplex movie theaters in Moscow and Leningrad. In Australia the company has bought one-third of a movie studio, and a studio tour is expected to open by June 1991. Yet all these projects are small potatoes; Ross and Nicholas have bigger ventures in mind.

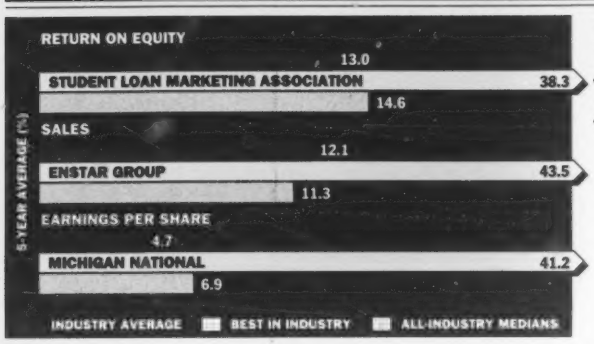
No major deal was anticipated by the close of 1990; Wall Street types think it will be hard persuading giant foreign companies to take minority stakes in Time Warner businesses. Publicly, however, Ross is undaunted. He promises that the 1990 annual report will be published in French, German, Italian and Japanese, as well as English.—K.H.

Entertainment & information	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Broadcasting & cable											
CBS	41.6	12.0	10.3	21.1	–12.1	11.8	22.7	16.2	3,207	327	10.2
Capital Cities/ABC	15.9	15.3	11.8	30.6	45.0	12.2	23.4	15.6	5,344	502	9.4
Multimedia	0.6	NE	35.0	227.9	8.9	4.1	NM	30.0	476	47	9.9
Tele-Communications	def	def	3.3	80.9	51.9	24.4	NM	D-D	3,511	–213	def
Comcast	def	def	def	85.1	46.6	21.9	NM	D-D	642	–183	def
Cablevision Systems	def	NE	def	137.2	39.9	11.7	NM	D-D	549	–277	def
Turner Broadcasting	def	NE	4.2	108.7	30.4	34.1	NM	D-D	1,329	–10	def
Viacom	NA	def	6.2	85.1	35.8	10.6	NA	P-D	1,555	–32	def
Medians	**def**	**def**	**5.2**	**85.1**	**37.9**	**12.0**	**NM**	**P-D**	**1,442**	**–21**	**–1.4**
Movies											
General Cinema	46.6	4.0	5.3	29.5	19.9	5.0	34.7	–93.5	2,112	63	3.0
Paramount Commun	32.2	37.2	32.5	17.9	NM	–6.4	41.1	266.6	3,660	1,383	37.8
Walt Disney	26.4	26.7	20.8	24.5	21.6	27.2	41.8	17.6	5,844	824	14.1
Handleman	24.7	15.6	14.9	6.6	14.6	10.4	17.1	–21.4	749	34	4.6
LIVE Entertainment	20.8	11 9	8.9	58.9	18.9	69.1	NM	–51.6	657	16	2.4
Commtron	18.0	16.8	16.5	0.0	18.9	0.7	15.8	15.4	554	9	1.7
MCA	10.6	10.6	8.4	34.2	14.5	14.5	11.2	0.0	3,881	209	5.4
Time Warner	9.4	def	1.4	54.3	17.1	96.7	NM	P-D	11,320	–415	def
Orion Pictures	4.5	3.9	5.8	59.1	21.2	–2.4	15.2b	–50.6	486	9	1.9
AMC Entertainment	def	def	def	82.7	15.4	–5.9	NM	P-D	430	–22	def
UA Entertainment	def	def	1.0	75.0	23.3	33.7	NM	D-D	1,426	–95	def
Pathe Communications	defb	103.2	2.7	69.2	NM	–25.6	NM	D-P	288	–2	def
Medians	**14.3**	**11.3**	**7.1**	**44.2**	**18.0**	**7.7**	**13.2**	**–36.0**	**1,088**	**13**	**2.1**
Publishing											
Pulitzer Publishing	80.6	41.7	17.9	55.6	11.2	2.3	20.9	20.6	407	25	6.2
Reader's Digest Assn	60.3a	35.9	33.5	1.8	8.5	12.8	55.8	20.2	2,092	185	8.8
Affiliated Pubs	33.9	16.0	11.1	43.2	12.1	3.1	13.0	–28.1	544	32	5.8
Washington Post	33.8	19.8	16.7	11.9	8.0	1.2	25.4	4.5	1,451	184	12.7
Dow Jones	27.7	8.8	6.0	29.8	12.9	3.3	18.2	–61.3	1,717	123	7.2
Commerce Clearing	26.4	16.7	14.3	6.7	10.4	5.3	NM	–11.0	703	36	5.1
Dun & Bradstreet	26.1	23.6	19.8	0.0	13.1	8.7	NM	–9.2	4,668	510	10.9
Western Publishing	25.6	10.0	10.0	0.0	14.8	–0.5	17.8	–13.8	499	20	4.0
New York Times	24.9	3.3	2.0	20.3	7.4	4.9	19.4	–89.5	1,791	34	1.9
Gannett	22.3	19.4	14.0	27.4	12.9	1.5	12.3	–0.4	3,506	387	11.0
Knight-Ridder	22.1	18.3	12.6	42.6	6.4	4.0	14.4	–24.7	2,325	169	7.3
Times Mirror	21.6	10.6	8.0	29.6	4.3	2.6	6.8	–34.9	3,570	199	5.6
Interpublic Group	21.2	21.0	20.4	8.5	15.9	3.9	16.3	12.4	1,284	75	5.8
Tribune	19.6	13.6	10.1	28.4	6.5	3.5	17.5	–15.4	2,496	195	7.8
RR Donnelley & Sons	18.3	15.6	12.1	25.0	11.6	5.6	11.1	3.2	3,281	226	6.9
Banta	17.2	8.5	7.4	26.7	14.4	3.7	8.5	–50.0	580	17	2.9
Central Newspapers	16.0a	12.5	11.5	0.8	5.0	2.2	6.9	–0.8	438	32	7.4
McGraw-Hill	15.3	2.6	3.1	35.4	5.6	6.8	–14.2	–88.2	1,899	23	1.2
Houghton Mifflin	14.1	12.5	12.4	21.6	10.0	8.8	5.8	17.3	428	25	5.9
EW Scripps	13.4b	8.9	6.9	29.0	9.5	3.3	NM	–27.2	1,297	58	4.5
Meredith	11.9	9.2	6.9	0.1	12.1	–4.2	–4.5	0.0	742	25	3.4
Standex International	11.9	16.1	12.5	31.4	3.7	7.0	NM	16.8	474	23	4.9
American Greetings	10.6	12.4	9.5	25.7	7.0	6.7	–6.7	54.6	1,339	75	5.6
AH Belo	8.4	10.8	6.8	47.0	2.3	7.0	–15.2	49.4	436	25	5.8
Media General	7.6	8.2	5.5	36.2	4.2	–1.5	–15.3	D-P	623	21	3.4
Harcourt Brace	6.0	NE	42.4	162.6	25.7	4.4	–15.0	D-P	1,404	262	18.7
Medians	**20.4**	**12.5**	**11.3**	**27.0**	**9.7**	**3.8**	**7.7**	**–0.6**	**1,318**	**47**	**5.8**
Advertising											
Omnicom Group	16.9	22.3	14.0	49.8	9.6	19.2	NM	14.1	1,147	52	4.5
Grey Advertising	14.5	13.2	15.2	2.8	16.0	9.7	8.2	–0.9	451	15	3.3
ADVO-System	def	26.9	27.9	0.0	11.1	6.0	NM	179.4	655	16	2.5
Medians	**14.5**	**22.3**	**15.2**	**2.8**	**11.1**	**9.7**	**NM**	**14.1**	**655**	**16**	**3.3**
Industry medians	**16.4**	**12.0**	**10.1**	**29.6**	**12.1**	**5.3**	**6.8**	**–0.9**	**1,297**	**32**	**4.9**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes: Value Line Data Base Service via Lotus CD Investment.

FINANCIAL SERVICES



The Fed has finally eased up, somewhat, on the banking system. But problems persist.

By Matthew Schifrin

THE GOOD NEWS FOR THE FINANCIAL SERVICES industry is that McDonald's and Wendy's are hiring. Unfortunately, this isn't a joke for the more than 75,000 bank and investment firm employees who have lost their jobs since late 1987. Many thousands more will be laid off in the months ahead, especially if the big banks begin to merge.

While many other industries featured in our annual survey of business are just beginning to feel the effects of the slowing economy, parts of the financial services industry have been in the midst of what some are calling a depression for nearly

Financial services	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Multinational banks											
First Chicago	10.6	12.5	9.4	33.4	4.0	6.1	34.9	–19.1	5,689	315	5.5
Bank of Boston	9.6	def	def	41.1	16.2	1.2	–13.8	P-D	6,352	–221	def
Citicorp	7.1	def	4.3	58.9	13.1	10.0	–11.9	P-D	39,918	–84	def
BankAmerica	3.1	14.7	11.1	38.8	–6.0	4.3	NM	–19.5	11,972	810	6.8
JP Morgan & Co	1.9	17.6	10.7	48.7	8.5	2.1	NM	D-P	10,383	738	7.1
Chase Manhattan	0.7	def	def	54.3	7.6	0.8	NM	D-D	13,880	–352	def
Bankers Trust NY	def	28.8	16.3	47.3	8.4	7.3	NM	D-P	7,538	643	8.5
Chemical Banking	def	9.5	7.6	45.4	8.1	–1.4	NM	D-P	7,989	317	4.0
Manufacturers Hanover	def	9.9	6.6	42.8	NM	–10.6	NM	D-P	7,726	268	3.5
Continental Bank	def	def	1.7	35.3	NM	–17.0	NM	P-D	2,906	–17	def
Medians	1.3	9.7	7.1	44.1	7.9	1.6	NM	D-P	7,858	292	3.7
Regional banks											
State Street Boston	19.8	18.6	12.9	29.2	17.8	21.9	15.2	12.0	1,263	114	9.0
First Union	19.5	12.7	11.8	27.6	17.3	20.7	5.9	–8.6	3,875	288	7.4
Michigan National	19.4	9.2	8.6	8.9	8.3	–30.7	41.2	–60.3	1,015	70	6.9
Bancorp Hawaii	19.0	18.5	17.8	7.1	11.5	24.6	17.9	15.5	893	91	10.3
CoreStates Financial	18.4	18.2	15.0	32.1	12.6	31.4	4.5	–5.7	2,418	238	9.8
Signet Banking	18.1	9.0	7.9	32.1	14.1	14.2	NM	–42.1	1,454	67	4.6
Wells Fargo	18.1	27.9	16.3	43.0	11.5	4.7	27.6	27.7	5,755	713	12.4
MNC Financial	18.1	def	def	30.1	16.3	33.8	24.4	P-D	3,089	–183	def
SunTrust Banks	17.9	16.7	14.7	17.6	7.9	4.8	12.6	6.6	3,379	349	10.3
C&S/Sovran	17.9	11.4	10.1	23.0	12.3	6.5	12.4	–29.4	5,249	355	6.8
NCNB	17.7	16.3	12.9	34.1	25.3	25.0	14.0	12.3	6,578	471	7.2
National City	17.7	17.7	16.0	12.8	13.4	6.3	12.0	1.6	2,663	266	10.0
Old Kent Financial	17.5	15.9	13.5	12.0	14.9	3.9	6.2	3.7	871	89	10.2
Fleet/Norstar Finl	17.5	3.9	5.2	47.9	17.1	13.8	11.4	–76.4	3,977	93	2.3
Banc One	17.4	17.4	16.4	16.7	15.1	9.0	12.7	12.8	3,350	407	12.2
First Wachovia	17.4	16.6	15.7	5.7	7.1	5.7	8.2	10.3	2,490	291	11.7
SouthTrust	17.3	13.7	12.0	21.9	15.9	14.4	9.9	–4.6	836	70	8.3
Barnett Banks	17.2	9.7	8.9	18.3	17.5	10.0	11.0	–34.8	3,226	165	5.1
Midlantic	16.9	def	def	25.9	13.8	15.5	10.1	P-D	2,534	–163	def
PNC Financial	16.7	8.5	8.2	25.2	26.7	8.1	3.9	–52.5	4,875	241	4.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

three years. The slump in the stock market and a drying up of leveraged buyout and initial public offering business took their toll on brokerage firms. Pretax industry margins for 1990 are expected to be around 1%, the lowest level since fixed-price commissions were abolished in the mid-1970s.

Securities brokers are facing encroachment from banks, both foreign and domestic, and from the big corporations they serve. Former clients such as Du Pont, GM , IBM and Kodak now handle their own foreign exchange trading, commercial paper underwriting and even mergers and acquisitions. Merrill Lynch is abandoning its strategy of being the biggest in every business and is reorganizing to cut $100 million in annual expenses. PaineWebber is rumored to be discussing a merger with Prudential-Bache Securities.

Two Wall Street firms on our list, Morgan Stanley and Salomon Brothers, are doing better than many competitors. Both companies refocused efforts on an old franchise—trading for their own accounts. Salomon is also getting a big kick from its global oil-trading subsidiary, Phibro Energy.

As for the banks and thrifts, they could be headed toward a

Privileged plastic

When Saddam Hussein's tanks rolled into Kuwait in August, most bank card companies offering Visa and MasterCard immediately froze the accounts of all Kuwaitis. Not American Express. Most Kuwaiti cardholders living outside the tiny country never lost their card service. Even hostages inside Iraq and Kuwait who had American Express cards or traveler's checks could use them for food, lodging and basic necessities.

"We will probably lose a little money there, but it's worth it," says Richard Thoman, the 46-year-old president of American Express International. In fact, AmEx continued to provide service to customers during Mexico City's 1985 earthquake and the U.S. invasion of Panama in 1989.

And when Tiananmen Square erupted in violence in 1989, AmEx' office lost only about an hour's service. "We have a few bullet holes in our branch there," says Thoman.

To foreigners the message is clear: Membership does have its privileges. As a result, 10 million of the 25 million outstanding AmEx cards are held by foreigners. The breakdown: 1 million in Japan, 5 million in Europe and another 4 million in Asia and Latin America. In all, AmEx International has 25,000 employees working overseas in 1,600 offices in 150 countries.

As in the U.S., AmEx' bread and butter is its Travel Related Services Group, which offers charge cards and traveler's checks. Ten years ago 90% of TRS International's profits came from U.S. citizens traveling abroad; now about 85% of its earnings comes from spending by foreigners using credit cards and traveler's checks in their own countries or overseas.

Besides TRS, Thoman is in charge of American Express Bank, a $17 billion (assets) bank that targets affluent foreigners from 83 offices in 39 countries. AmEx International's newest overseas division, called Consumer Financial Services, aims to sell insurance, investment and lending products abroad. Total spending on advertising and marketing by American Express International this year should reach $400 million.

Maria Robledo

Richard Thoman of American Express International

AmEx' aggressive marketing overseas is especially welcome as an offset to problems at home. Ailing Shearson, for example, has already sucked more than $1 billion in capital from parent American Express. AmEx' cardholders abroad increased 17% last year, compared with only 9% domestically. Among other things, the foreign card business is more profitable because of the higher personal savings rates abroad, which result in lower delinquency rates and writeoffs. Many foreigners, moreover, are now learning the pleasures of shopping, at a time when many U.S. cardholders are shopped out. —M.S.

severe liquidity crisis, reports Christopher Quackenbush of Sandler, O'Neill, a New York City-based investment banking firm. Weak earnings limit the ability of many banking institutions to generate capital. Meanwhile, throughout 1990 the government was promulgating tougher capital and loan-loss reserve requirements. "That's like kicking the industry when it's down," says Quackenbush. Finally, late in the year, the Fed relented, somewhat. Even so, Salomon Brothers' stock index of 35 major banks is off more than 50% from a year ago.

Casualties continue to mount. Soured junk bond investments left Columbia Savings & Loan nearly insolvent. Montgomery, Ala.-based Enstar Group's 50%-owned American

Financial services	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Marshall & Ilsley	16.4	14.0	12.4	20.6	13.0	8.3	11.0	–3.0	821	80	9.7
Dominion Bankshares	16.3	2.3	3.2	18.9	19.0	8.2	7.4	–84.4	1,108	16	1.4
UJB Financial	16.3	4.1	4.5	8.8	14.4	12.7	10.2	–72.0	1,335	36	2.7
Society	15.5	16.2	17.9	16.4	11.7	43.3	11.3	–0.2	1,581	144	9.1
South Carolina Natl	15.5	12.7	11.7	10.1	14.3	7.1	11.2	–4.8	682	55	8.1
NBD Bancorp	15.4	16.0	14.8	11.0	13.2	7.4	14.3	5.1	2,660	271	10.2
Security Pacific	15.2	16.3	10.8	56.8	14.9	7.3	9.3	–5.9	10,408	711	6.8
First of America Bank	15.1	13.7	12.6	15.8	21.7	12.1	5.4	–5.7	1,354	125	9.3
BayBanks	15.0	def	def	8.7	14.5	–0.3	8.1	P-D	1,081	–31	def
Huntington Bcshs	15.0	11.4	10.7	16.1	12.6	15.1	7.7	–24.1	1,249	84	6.8
KeyCorp	14.9	15.0	12.7	27.3	25.0	6.8	5.6	9.5	1,708	147	8.6
Crestar Financial	14.8	12.0	10.7	17.9	11.9	7.7	4.7	–14.2	1,234	88	7.1
Manufacturers Natl	14.6	16.2	15.3	8.8	12.3	3.8	12.9	1.0	1,126	106	9.5
Comerica	14.5	18.6	14.7	26.2	3.1	6.5	13.5	62.8	1,293	126	9.8
Union Bank	14.4	17.0	13.7	24.4	21.1	6.6	18.5	5.3	1,666	144	8.6
AmSouth Bancorp	14.4	10.9	9.9	18.2	16.0	1.3	2.7	–25.1	892	60	6.7
US Bancorp	14.3	16.7	12.7	35.0	18.0	17.3	11.5	19.3	1,871	177	9.4
Meridian Bancorp	14.2	3.8	4.1	17.3	16.9	18.7	1.7	–70.9	1,272	27	2.1
Firstar	13.7	17.1	14.3	20.4	9.3	7.2	20.9	12.8	960	95	9.9
Commerce Bcshs	13.6	13.5	14.2	7.9	2.1	7.4	14.4	1.5	591	57	9.7
INB Financial	13.6	10.4	10.3	10.1	13.7	3.7	NM	–22.9	653	46	7.1
Northern Trust	13.3	18.5	15.3	12.0	10.4	7.3	38.2	–10.0	1,291	117	9.1
Norwest	12.7	19.0	11.4	63.2	NM	19.7	31.8	8.7	3,364	271	8.1
First Tennessee Natl	12.0	12.5	10.9	24.4	6.4	7.0	–5.3	57.7	731	47	6.5
Ameritrust	11.2	0.7	1.8	21.7	13.2	8.0	9.7	–95.4	1,270	9	0.7
Boatmen's Bancshares	10.4	12.3	11.4	18.2	4.5	3.7	NM	60.0	1,505	133	8.9
Southeast Banking	10.0	def	def	36.4	9.9	0.2	NM	P-D	1,666	–180	def
Bank of New York	9.9	13.5	10.9	23.3	25.5	7.6	NM	D-P	5,405	350	6.5
Riggs National	9.8	2.8	4.5	45.3	7.1	9.0	3.3	–76.8	734	10	1.3
First Security	8.2	10.8	9.6	22.4	NM	13.2	19.9	9.1	667	48	7.2
First Fidelity Bncp	8.0	def	def	43.9	11.2	3.1	–23.9	D-D	3,062	–75	def
Republic New York	7.6	20.2	10.2	57.2	18.2	6.8	NM	D-P	2,676	246	9.2
First American Corp	7.6	def	def	4.4	13.5	1.4	–10.9	P-D	757	–62	def
Shawmut National	7.3	def	def	32.6	15.9	–4.2	NM	P-D	2,854	–258	def
United Banks of Colo	3.6	def	def	11.4	6.5	6.4	–28.8	P-D	657	–67	def
Mercantile Bancorp	3.5	12.6	11.3	21.5	3.5	4.1	NM	D-P	751	51	6.8
First Bank System	def	def	2.8	51.8	NM	8.4	NM	D-D	2,227	–13	def
Valley National	def	def	1.7	23.5	4.2	–5.1	NM	D-D	1,147	–7	def
First Interstate Bncp	def	def	4.1	55.1	5.0	–7.0	NM	P-D	6,081	22	0.4
Mellon Bank	def	14.9	11.3	45.9	2.2	–2.5	NM	9.4	3,483	279	8.0
Bank of New England	def	def	def	75.5	19.7	–24.4	NM	P-D	2,758	–1,438	def
Premier Bancorp	def	4.4	5.1	24.3	2.6	–3.7	NM	D-P	400	6	1.6
First City Bncp Texas	NA	2.4	5.2	7.5	NA	NA	NA	NA	1,409	37	2.6
Medians	**14.8**	**12.5**	**10.8**	**21.9**	**13.2**	**7.3**	**8.2**	**–5.7**	**1,454**	**88**	**7.1**
Thrift institutions											
Golden West Finl	23.8	17.2	9.9	54.8	9.1	14.3	7.8	17.2	2,086	180	8.6
Standard Fedl Bank	14.4b	9.0	7.5	15.3	11.8	–3.8	NA	–18.9	922	40	4.3
HF Ahmanson	13.7	12.4	6.9	44.9	8.0	12.0	15.2	27.4	4,653	249	5.4
Washington Mutual	13.0	7.3	7.2	44.4	11.2	10.3	NM	–9.2	713	32	4.5
GlenFed	12.9	9.6	7.0	42.7	13.2	–4.9	39.8	5.2	2,520	115	4.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

Savings & Loan Association of Florida is in a similar condition. The group made a big mistake when it diversified out of day care centers (Kinder-Care) and into the thrift business.

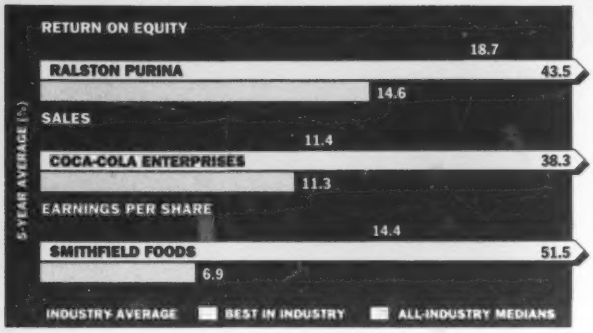
Strong retail deposits have helped some banks, among them BankAmerica and Citibank. But further weakening of the economy could give rise to consumer credit problems. The U.S. Office of the Courts expects over 800,000 consumer bankruptcies in 1991, up 23% from 1989. This will hurt financial institutions with large credit card operations like Citibank, Chase Manhattan, MNC Financial and consumer finance companies like Household International. The banking systems' problems, in short, are far from over. ■

Financial services	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
HomeFed	12.5	def	def	33.2	13.5	4.3	12.3	P-D	1,927	–39	def
Gt Western Financial	12.0	5.7	6.8	70.0	2.7	10.3	NM	–52.2	4,101	112	2.7
FirstFed Michigan	11.6	7.2	6.5	58.7	1.8	–4.0	–20.1	491.7	1,105	32	2.9
CalFed	10.9	def	def	30.5	8.1	–22.5	NM	P-D	2,382	–103	def
Talman Home Federal	7.2b	4.7	7.0	0.0	–2.3	–4.7	NA	–26.6	541	16	2.9
Commercial Federal	6.0a	def	def	31.8	22.0	–22.9	NM	P-D	499	–43	def
Homestead Financial	3.0	def	def	78.4	4.9	–39.0	NM	D-D	262	–29	def
Coast Savings Finl	2.2a	def	def	60.3	13.3	–6.5	NM	D-D	1,124	–54	def
TCF Financial	1.1b	def	def	16.9	NM	–14.1	NM	P-D	476	–23	def
Dime Savings Bank FSB	defb	def	def	47.6	11.4	–3.0	NM	P-D	1,116	–225	def
Enstar Group	def	2.6	2.5	63.5	43.5	–40.2	NM	D-P	473	–5	def
Great American Bank	def	def	def	54.9	17.0	–16.2	NM	D-D	1,400	–342	def
CrossLand Savings FSB	defa	def	def	52.8	11.5	–19.9	NM	D-D	1,184	–284	def
American Capital	def	def	def	86.8	29.6	–19.2	NM	D-D	521	–40	def
Meritor Savings Bank	def	def	def	75.1	NM	–34.9	NM	D-D	932	–223	def
Northeast Federal	def	def	def	52.5	11.2	–32.3	NM	D-D	498	–104	def
AmeriFirst Bank	defb	def	def	79.0	–3.1	–11.1	NA	D-D	391	–80	def
Columbia S&L Assn	def	def	def	NE	10.9	–60.1	NM	D-D	546	–1,161	def
Anchor Savings Bank	NA	def	def	30.0	5.7	10.1	NA	D-D	914	–144	def
Goldome	NA	34.6	8.2	21.0	NM	3.0	NA	D-P	1,369	26	1.9
People's Bank	NA	def	def	0.0	9.9	4.8	NA	NA	712	–32	def
Medians	**3.0**	**def**	**def**	**46.3**	**10.4**	**–5.7**	**NM**	**P-D**	**927**	**–36**	**–4.7**
Brokerage & commodity											
Morgan Stanley	34.2a	19.1	14.8	35.1	33.4	10.9	33.7a	–10.9	5,985	361	6.0
Bear Stearns Cos	19.5b	10.9	9.5	26.3	24.6	–4.0	13.7a	–31.2	2,367	115	4.9
AG Edwards	17.2	16.3	16.5	0.0	12.0	14.3	9.7	6.1	639	57	8.9
Commercial Metals	13.2	13.4	11.6	20.4	NM	–13.2	25.6	–7.7	1,124	26	2.3
Salomon	11.0	10.6	7.7	73.8	12.5	14.8	NM	15.0	9,528	386	4.1
Merrill Lynch	7.3	def	3.0	65.9	13.6	–1.6	NM	P-D	11,200	–200	def
PaineWebber Group	6.4	3.3	5.3	39.1	12.3	9.3	NM	36.4	3,082	46	1.5
Balfour Maclaine	defb	def	def	59.8	19.8	–25.7	NM	P-D	983	–32	def
Charles Schwab	NA	11.8	9.4	43.3	29.2	22.4	NA	66.7	619	22	3.5
Medians	**12.1**	**10.9**	**9.4**	**39.1**	**13.6**	**9.3**	**NM**	**–7.7**	**2,367**	**46**	**3.5**
Lease & finance											
Student Loan	38.3	33.9	7.1	95.0	21.7	13.5	27.9	16.3	3,533	291	8.2
Federal Natl Mortgage	25.5	33.6	6.6	95.7	3.8	11.1	81.4b	45.8	12,511	1,103	8.8
H&R Block	24.9	25.4	25.1	1.0	17.6	15.5	14.7	19.9	1,062	122	11.5
Equifax	22.5	16.3	12.0	30.9	10.2	9.9	13.3	0.6	900	40	4.5
American Express	21.4	4.9	9.3	65.2	19.5	–2.5	10.8	–75.3	24,352	301	1.2
Household Intl	20.1	17.9	7.5	77.2	–14.2	27.8	12.4	–10.5	4,154	226	5.4
GATX	16.2	14.5	6.7	64.5	–4.2	27.0	38.4b	3.1	824	74	9.0
Primerica	12.2	13.9	9.9	53.6	23.8	40.1	60.2b	–6.0	6,085	370	6.1
Beneficial Corp	10.3	15.8	8.1	79.5	–4.7	7.0	NM	24.3	1,700	130	7.6
Ryder System	10.1	5.8	6.5	54.9	16.7	1.9	–15.9	15.4	5,198	89	1.7
Landmark Land	def	def	def	NE	21.3	–12.1	NM	P-D	471	–94	def
Medians	**20.1**	**15.8**	**7.5**	**64.5**	**16.7**	**11.1**	**13.3**	**3.1**	**3,533**	**130**	**6.1**
Industry medians	**13.0**	**10.4**	**7.7**	**30.9**	**12.1**	**6.5**	**4.7**	**–10.0**	**1,454**	**60**	**4.6**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

FOOD, DRINK & TOBACCO



The cigarette companies remain under fire. But even during a recession, people have to eat and drink.

By Edward Giltenan

IN 1990 THE TEMPERANCE AND antismoking crowds launched more attacks against the American beer and cigarette companies. Health & Human Services Secretary Louis Sullivan called for a ban on cigarette vending machines; beer companies were urged to halt their sponsorship of motor sports. This year state and federal lawmakers are expected to pass higher excise taxes on beer and cigarettes. That should further depress the already dwindling appetite in America for alcoholic beverages and tobacco.

Still, the leading domestic beverage and tobacco manufac-

Food, drink & tobacco	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Food processors											
General Mills	51.0a	46.0	23.3	26.6	6.6	15.6	25.7	27.4	6,686	396	5.9
Ralston Purina	43.5	32.1	17.4	54.3	4.4	6.7	20.2	0.3	7,101	396	5.6
Kellogg	39.0	27.8	20.2	15.3	12.8	5.4	16.9	–2.1	4,906	452	9.2
Hudson Foods	32.3	7.3	6.1	33.6	30.9	7.4	NM	–64.7	667	9	1.3
Tyson Foods	31.4	26.2	7.0	55.0	25.2	50.7	35.6	16.8	3,825	120	3.1
Smithfield Foods	29.4	28.5	19.4	32.9	8.7	24.9	51.5	197.1	969	15	1.5
Pilgrim's Pride	28.7	18.7	10.9	50.6	17.6	10.4	23.3	–17.2	706	16	2.3
Wm Wrigley Jr	28.6	32.9	32.1	0.0	11.5	12.2	25.1	7.9	1,084	113	10.4
CPC International	26.8	25.7	17.4	29.4	3.4	11.6	22.7	13.9	5,558	362	6.5
HJ Heinz	25.8	27.1	19.3	25.4	8.2	5.4	14.5	13.9	6,193	521	8.4
McCormick & Co	23.8	18.2	13.0	35.2	9.9	4.2	19.3	–48.7	1,285	64	5.0
ConAgra	22.6	22.9	16.2	34.6	26.5	27.0	21.3	12.1	15,981	240	1.5
Sara Lee	21.9	18.8	12.6	24.5	10.4	1.8	16.5	8.6	11,925	483	4.1
WLR Foods	21.4	15.8	15.3	5.4	9.0	7.2	NM	–21.5	500	16	3.2
Lance	21.3	21.4	19.2	0.0	4.9	2.0	8.3	16.4	443	47	10.6
Dean Foods	21.2	19.5	15.3	26.8	13.2	20.2	8.9	3.5	2,078	64	3.1
Quaker Oats	20.7	10.9	7.2	22.9	12.5	–6.6	12.2	–30.5	5,143	147	2.9
Hershey Foods	20.2	20.0	16.1	13.7	4.7	9.2	14.3	37.0	2,633	224	8.5
JM Smucker	19.7	17.6	16.8	2.2	11.1	10.8	14.4	6.1	440	31	7.0
Savannah Foods	19.6	28.7	19.6	26.1	13.9	12.6	15.5	22.7	1,193	48	4.1
Gerber Products	19.4	27.9	20.8	25.8	3.9	6.0	13.7	12.0	1,171	104	8.9
Flowers Industries	18.6	15.6	11.4	26.5	5.7	3.2	8.6	24.7	831	33	4.0
Universal Foods	17.2	23.5	15.6	30.4	14.2	0.2	23.4	21.9	839	49	5.9
Curtice Burns Foods	16.9	5.9	5.8	67.2	5.0	9.8	9.1	–61.5	937	6	0.6
Geo A Hormel	15.2	16.4	15.0	3.3	11.5	14.6	18.2	10.4	2,681	77	2.9
Chiquita Brands Intl	15.1	17.3	12.2	38.3	3.6	12.6	27.9	6.7	4,226	85	2.0
Castle & Cooke	15.1a	14.9	10.0	15.6	10.6	16.2	39.0a	40.9	3,030	125	4.1
Pioneer Hi-Bred Intl	14.7	11.7	11.0	2.6	3.2	11.2	NM	–24.6	964	73	7.5
Archer Daniels	14.3	14.3	11.8	15.5	10.7	2.2	27.6	4.2	7,980	474	5.9
Seaboard	12.9	13.5	9.4	22.5	16.0	0.8	14.1	–3.5	528	26	4.8

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES, Value Line Data Base Service via Lotus CD Investment.

turers remain highly profitable. The companies listed on the table below reported latest 12-month return on equity of almost 16%, four percentage points better than the median company in this survey.

Cigarette makers are using their steady cash flow to expand their overseas markets, where Marlboros, Winstons and other American-made smokes are in great demand. And they are diversifying. Philip Morris bought Swiss chocolatier Jacobs Suchard, doubling Philip Morris' European food sales in one bold stroke. Tobacco companies will continue to use their cigarette profits to get into businesses safe from the anti-smoking groups, even if the margins aren't nearly as good.

In the beer industry overall consumption is shrinking and power is concentrating in the hands of industry leaders Anheuser-Busch, Miller Brewing (owned by Philip Morris) and Adolph Coors. Anheuser, buoyed by discounting on its flagship Budweiser and Bud Light brands, was actually able to increase volume marginally last year. Look for one of the big

Food, drink & tobacco	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity				**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**Return on capital latest 12 mos %**	**Debt/ capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Intl Multifoods	**10.9**	8.5	6.8	24.2	**11.6**	8.4	**NM**	–11.8	2,151	26	1.2
Borden	**10.7**	21.9	13.5	40.4	**12.4**	0.9	**NM**	D-P	7,691	361	4.7
Campbell Soup	**10.4**	1.6	2.9	28.9	**8.4**	7.1	**7.1**	5.0	6,277	27	0.4
Thorn Apple Valley	**4.3**	def	def	42.4	**–2.3**	10.9	**NM**	P-D	670	–5	def
American Maize	**2.5**	1.8	6.3	21.4	**4.9**	–6.7	**NM**	–41.8	496	3	0.5
ERLY Industries	def	21.3	10.4	82.4	**15.9**	7.1	**NM**	D-P	411	3	0.7
IBP	**NA**	10.0	7.8	48.9	**8.1**	6.3	**–6.1b**	11.7	9,846	50	0.5
Whitman	**NA**	def	4.2	55.2	**15.0**	–28.4	**25.1**	P-D	2,834	28	1.0
Medians	**20.0**	**18.4**	**12.8**	**26.5**	**10.5**	**7.3**	**14.4**	**7.3**	**2,115**	**64**	**4.0**
Food distributors											
Marriott	**24.5**	16.5	5.0	76.9	**17.6**	3.2	**11.0**	–52.4	7,621	102	1.3
Super Valu Stores	**18.9**	17.3	12.7	37.4	**10.5**	5.7	**8.7**	8.6	11,411	151	1.3
Wetterau	**18.2**	20.5	12.4	56.0	**11.4**	6.4	**9.3**	12.1	5,469	49	0.9
Sysco	**17.8**	19.5	12.5	40.1	**22.5**	7.9	**16.4**	20.8	7,739	138	1.8
Super Food Services	**16.7**	16.0	12.2	39.1	**5.2**	5.0	**15.8**	8.6	1,777	17	1.0
Imperial Holly	**14.7**	16.8	11.7	34.5	**25.3**	4.6	**48.8**	–33.0	726	20	2.7
Rykoff-Sexton	**12.1**	5.4	5.8	33.3	**15.7**	7.2	**7.8**	–44.4	1,426	11	0.8
Nash Finch	**11.9**	11.2	9.5	30.8	**13.8**	6.5	**4.5**	44.6	2,346	18	0.8
Fleming Cos	**11.3**	12.3	8.6	54.6	**16.0**	–3.6	**NM**	9.5	11,883	91	0.8
Finevest Foods	**defb**	def	def	79.2	**34.8b**	3.6	**NM**	D-D	712	–13	def
Richfood Holding	**NA**	13.7	9.4	38.3	**9.1**	–11.7	**NA**	D-P	1,014	6	0.6
TW Holdings	**NA**	NA	0.5	75.4	**25.8**	3.6	**NA**	NA	3,667	–105	def
Medians	**15.7**	**16.0**	**9.5**	**39.6**	**15.9**	**4.8**	**9.0**	**8.6**	**3,007**	**19**	**0.8**
Beverages											
Coca-Cola	**39.1**	57.0	43.3	12.3	**11.0**	13.6	**22.1**	59.5	9,929	1,845	18.6
PepsiCo	**28.5**	25.7	11.9	53.9	**15.6**	17.2	**29.4**	12.8	17,148	1,013	5.9
Anheuser-Busch Cos	**23.6**	22.9	12.0	33.2	**8.0**	10.8	**17.7**	9.0	10,370	829	8.0
Brown-Forman	**22.8**	15.4	11.9	14.1	**3.7**	5.3	**18.7**	–42.2	1,047	87	8.3
Seagram	**13.2**	13.3	10.9	26.5	**18.9**	8.4	**14.4**	10.5	4,672	708	15.2
Coca-Cola Enterprises	**5.9b**	5.2	5.1	48.3	**38.3**	3.8	**9.8**	–24.1	4,010	89	2.2
Adolph Coors	**3.8**	3.4	2.9	2.8	**8.2**	13.1	**–18.3**	2.1	1,908	36	1.9
Medians	**22.8**	**15.4**	**11.9**	**26.5**	**11.0**	**10.8**	**17.7**	**9.0**	**4,672**	**708**	**8.0**
Tobacco											
UST Inc	**36.6**	42.1	39.4	0.6	**8.6**	12.3	**18.5**	17.0	729	214	29.3
Philip Morris Cos	**33.7**	37.0	15.7	53.9	**29.7**	16.4	**26.0**	45.1	42,345	3,523	8.3
American Brands	**21.4**	25.3	17.4	32.4	**11.6**	13.3	**14.7**	26.1	8,256	757	9.2
Universal	**17.6**	9.6	8.3	30.1	**26.9**	–1.0	**8.5**	–18.5	2,880	37	1.3
Dibrell Brothers	**17.5**	15.9	10.1	51.0	**14.3**	11.3	**7.7**	–23.4	795	12	1.6
Culbro	**9.0**	3.8	4.8	55.6	**NM**	3.0	**–22.2**	D-P	976	5	0.5
Std Commercial	**4.1**	3.8	2.6	18.4	**17.8**	3.0	**NM**	D-P	986	5	0.5
Medians	**17.6**	**15.9**	**10.1**	**32.4**	**14.3**	**11.3**	**8.5**	**26.1**	**986**	**37**	**1.6**
Industry medians	**18.7**	**16.8**	**11.8**	**31.6**	**11.4**	**7.1**	**14.4**	**8.6**	**2,490**	**64**	**2.9**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

three to buy at least some assets of troubled independents Stroh's or G. Heileman.

Soda giants Coca-Cola and PepsiCo, also faced with slow growth at home, are taking their cola war to the European market. In Europe the two colas account for less than 40% of the carbonated drink market, versus 70% in the U.S.

Over the last ten years the food companies on our list have handily outperformed the rest of American industry in both return on equity and earnings growth. Many food companies have been shedding lackluster businesses and refocusing on food. Quaker Oats will spin off its Fisher-Price toy business. Conversely, chocolate giant Hershey Foods, now the nation's second-largest pastamaker, acquired Ronzoni Corp. from Philip Morris' Kraft General Foods.

While the economy has been slowing down, food processors and distributors have been holding up fairly well, and should continue to do so. When it comes to recession-proof businesses, it's tough to beat these companies. ■

¿Tiene usted los Corn Flakes?

Kellogg's Corn Flakes has been the world's bestselling brand for nearly a century. In fact, eight of the world's top ten cereals—including Raisin Bran, Frosted Flakes and Rice Krispies—are made by Kellogg Co. All of these brands are over 35 years old. Kellogg is wagering that the old favorites will get better as they grow older—and tighten Kellogg's grip on the international cereal business.

It looks like a good bet. Kellogg's leadership of the highly competitive U.S. market has been slipping, owing partly to the popularity of chief competitor General Mills' oat bran cereals, especially Cheerios. But outside the U.S.—where the appetite for cereal is growing at least 10% a year—Kellogg holds a commanding 50% of the business. That's five times more than number two player CPW Partners—a recent joint venture of Swiss food giant Nestlé S.A. and General Mills. The partnership may be overmatched. Kellogg has at least six of the top ten cereals in Japan, Australia, Germany, France, Canada, the U.K., Brazil and Spain.

How Kellogg, of Battle Creek, Mich., achieved its global dominance is easily told. Will Keith Kellogg started the company in 1906, but from the moment he set up operations in Canada in 1914 the company began its foreign expansion. Kellogg now gets 37% of its sales and 34% of its profits outside the U.S. and has 17 cereal plants in 15 foreign countries.

While traditional cereals have remained Kellogg's mainstay, the company has adapted to different cultures. For example, two years ago it introduced Genmai Flakes, a brown-rice-based cereal, in Japan; it is already the second-bestselling brand there, behind Corn Flakes.

There's plenty of room for the foreign cereal business to expand. Per capita consumption of cereal in the U.S. is 10 pounds a year; in most of the rest of the world, less than 2 pounds. "General Mills and Nestlé are going to help the market grow," says Kellogg Chairman William LaMothe.

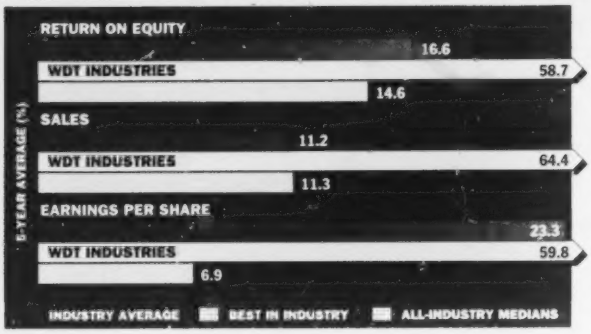
Spain is a good case in point. In the last decade Nestlé moved vigorously into that market, grabbing a 10% share and stimulating the Spanish appetite for cereals. The Swiss behemoth failed to grab a meaningful share away from Kellogg, which still holds 83% of the rapidly growing market.

"Some companies may think they'll get lucky and build a new market overnight," says LaMothe. "We found it takes time." He hopes to retire by year-end. President Arnold Langbo, the likely successor, will start with a very solid and profitable cereal base overseas.—**E.G.**

Michael L. Abramson

William LaMothe of Kellogg and friend

FOREST PRODUCTS & PACKAGING



Paper companies are retooling to recycle wastepaper, while the lumber and packaging industries are looking overseas.

By Paul Klebnikov

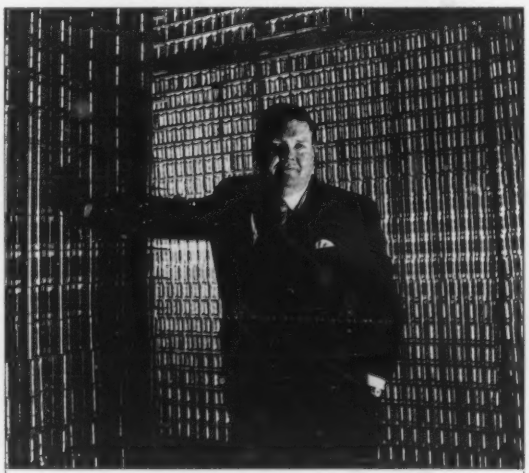
AT THE START OF LAST YEAR there were fears that declining demand and overcapacity would send paper prices into a tailspin. Instead, the industry saw record sales, albeit with widespread earnings declines. Despite a cyclical downturn and some scaling back of expansion plans, papermakers plan to increase capacity at the fastest rate since the early 1980s.

What will it be used for? Much of the new capacity will supply expanding export markets and wastepaper recycling projects. More states and municipal governments are instituting wastepaper recovery programs. Over 32% of the na-

Capping the world

If the economy is in the doldrums, the folks at Crown Cork & Seal Co. haven't heard about it.

In the past year the Philadelphia-based can and bottle cap maker has almost doubled its revenues, to a pro forma $3.8 billion, by purchasing Continental Can's Canadian operations from CCL Industries and its domestic operations from Omaha-based Peter Kiewit Sons'. For $666 million, Crown bought two businesses that were turning out $1.7 billion in sales. Cheap, and with debt still only 35% of capital, Crown is hardly in the hole.



Crown Cork & Seal's William Avery

What's the secret to Crown's success? For one thing, it's a company with a Scrooge-like aversion to fanfare and overhead. Crown's general, selling and administrative expenses are only 3% of sales, about half of Continental's overhead margins. The last time Crown paid a cash dividend on its common stock was 1956. But there is another reason: Crown's foreign operations. The company maintains 65 foreign plants. Before the recent acquisitions, sales from overseas represented about 40% of revenues.

"Being diversified globally is a big advantage," says William Avery, Crown's chairman and chief executive. Currency devaluations may be hurting Crown's profits in Latin America, but European profits are stronger. Says Avery: "If there's a downward trend in the U.S. economy, we can pick up the slack through our operations in the rest of the world."

For Crown, the highest growth area in the 1980s was Europe, where the plastic bottle market is relatively underdeveloped. "We've benefited from the destruction of the Berlin Wall," Avery says. "We were ready to close our operation in Austria, but now it's become a gateway to Eastern Europe and we're going all out."

Crown is looking to buy plants in Eastern Europe. Isn't Avery worried about getting paid? Not really. "In East Germany, a number of breweries are now owned by West German breweries. So we have no problem with that. Coca-Cola is also looking to expand in Eastern Europe. In dealing with the Coca-Colas and Pepsi-Colas of the world, you get paid," says Avery.

Ironically, Crown's foreign expansion is now dictated by necessity. After its recent acquisitions, the Federal Trade Commission isn't likely to let Crown Cork & Seal buy any more domestic producers. So Avery will have to turn his gaze overseas. But then, that's what Crown has been doing all along.—P.K.

tion's paper and paperboard output was recovered for recycling in 1989 and an estimated 35% in 1990. By 1995 this should rise to 40%. The paper industry is furiously retooling to make use of this cheap resource.

A weak dollar and competitive technology are helping the paper industry push its products abroad. In dollar terms, total paper and paperboard exports grew 15% while imports grew only 3%. U.S. companies such as International Paper and Stone Container have prospered while foreign firms such as Canada's Abitibi-Price are suffering.

Newsprint turned out to be one of the best segments of the industry. Domestic producers benefited from strikes at several Canadian mills and a higher Canadian dollar. U.S. manufacturers were able to pass along a 5% price increase in 1990.

But wood pulp producers didn't fare as well. They are suffering from overcapacity and tough competition from wastepaper recyclers and have had to absorb a 10% to 25% drop in prices. The depressed home building market drove down lumber prices by about 10%, and producers were squeezed by higher transportation and labor costs. The only relief came from exports, up nearly 8% in dollar terms. This should help players like Weyerhaeuser and Louisiana-Pacific.

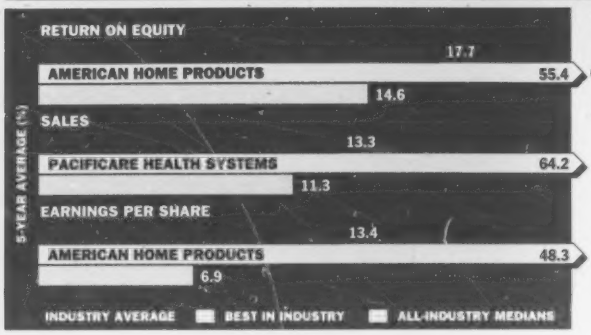
On the packaging front, plastic container makers like Constar International struggled with higher raw material costs and the task of making their products more environmentally benign. Problems with plastics helped beverage can makers. Their margins improved, because aluminum prices fell while the market absorbed a 3% price hike for finished cans. Crown Cork & Seal and Bemis are both benefiting from their extensive foreign operations. But Ball Corp. couldn't get the financing to purchase Peter Kiewit Sons' Continental Can European subsidiary for about $1 billion. ■

Forest products & packaging	**Profitability**				**Growth**				**Sales**	**Net income**	**Profit margin**
	Return on equity		**Return on capital**		**Sales**		**Earnings per share**				
Company	**5-year average %**	**latest 12 mos %**	**latest 12 mos %**	**Debt/ capital %**	**5-year average %**	**latest 12 mos %**	**5-year average %**	**latest 12 mos %**	**latest 12 mos $mil**	**latest 12 mos $mil**	**latest 12 mos %**
Paper & lumber											
WTD Industries	**58.7**	def	def	76.9	**64.4**	–8.6	**59.8**	P-D	389	–26	def
Albany International	**25.9**	8.2	7.8	48.2	**14.2**	8.6	**43.1**	–53.4	537	20	3.7
Federal Paper Board	**25.7**	20.5	10.2	44.7	**14.5**	7.3	**51.2**	–27.6	1,350	153	11.4
PH Glatfelter	**25.0**	21.8	19.0	0.0	**18.1**	1.7	**15.3**	–9.2	610	84	13.8
Willamette Inds	**23.2**	18.7	12.9	32.7	**11.2**	3.2	**28.4**	–5.8	1,921	169	8.8
Pope & Talbot	**22.6**	16.6	12.0	25.0	**15.3**	–5.2	**56.9a**	–21.7	581	33	5.7
Consolidated Papers	**21.9**	18.7	15.8	0.0	**7.2**	2.7	**14.6**	–2.4	957	157	16.4
Georgia-Pacific	**19.7**	17.2	11.6	61.9	**9.9**	17.0	**49.2**	–22.4	12,046	460	3.8
Mead	**17.0**	9.3	6.9	36.1	**13.3**	3.0	**23.3**	–29.3	4,717	157	3.3
Bowater	**16.9**	10.4	6.1	22.9	**12.4**	–3.8	**12.9**	–36.3	1,395	101	7.3
Union Camp	**16.8**	13.7	8.4	32.1	**8.5**	1.1	**21.6**	–24.2	2,800	240	8.6
Potlatch	**16.6**	16.1	10.2	25.8	**4.3**	6.7	**34.2**	0.7	1,278	134	10.5
Chesapeake	**15.5**	8.1	6.0	48.1	**17.6**	8.2	**25.3**	–52.0	848	25	3.0
Westvaco	**15.1**	12.7	8.2	32.0	**5.8**	5.5	**14.9**	–15.9	2,411	188	7.8
Pentair	**15.0**	10.0	7.9	42.8	**16.4**	6.1	**9.9**	–24.8	1,167	31	2.7
International Paper	**14.6**	14.4	9.8	27.4	**22.1**	16.0	**59.0**	–11.7	12,678	743	5.9
Boise Cascade	**14.4**	6.6	5.4	41.5	**2.7**	–1.6	**39.4**	–56.7	4,237	122	2.9
Louisiana-Pacific	**13.9**	11.4	9.0	23.0	**15.8**	–0.9	**47.3**	–12.3	1,934	148	7.6
Champion Intl	**12.9**	7.7	5.8	35.2	**NM**	–2.0	**34.2a**	–37.3	5,105	299	5.9
James River Corp Va	**12.6**	2.2	3.7	37.2	**23.4**	–7.5	**4.8**	–78.2	5,573	75	1.3
Weyerhaeuser	**11.2**	4.8	4.4	50.6	**10.8**	–10.3	**18.7**	–68.7	9,504	206	2.2
Medians	**16.8**	**11.4**	**8.2**	**35.2**	**13.3**	**2.7**	**28.4**	**–24.8**	**1,921**	**148**	**5.9**
Packaging											
Stone Container	**28.7**	11.2	6.7	68.1	**37.2**	18.5	**57.3**	–54.4	5,761	151	2.6
Longview Fibre	**23.8**	15.7	10.8	36.2	**9.2**	–1.8	**35.3**	–19.1	684	60	8.8
Sonoco Products	**21.8**	9.4	7.7	34.1	**19.2**	–0.6	**20.5**	–53.4	1,645	48	2.9
Temple-Inland	**17.0**	18.0	13.0	25.7	**14.0**	9.3	**23.4**	8.6	2,315	229	9.9
Bemis	**16.5**	18.6	13.7	29.0	**7.7**	1.5	**22.8**	13.5	1,094	50	4.6
Constar Intl	**15.3**	11.2	10.1	24.7	**NM**	–8.6	**16.8**	–35.8	506	15	2.9
Crown Cork & Seal	**14.9**	13.1	12.2	34.8	**6.9**	43.3	**17.0**	4.8	2,679	104	3.9
Ball Corp	**11.9**	10.2	8.2	25.3	**1.9**	18.6	**–8.4**	94.0	1,362	47	3.5
St Joe Paper	**11.8a**	7.3	6.4	3.8	**8.3a**	NA	**7.4a**	NA	623	56	9.0
Kerr Glass Mfg	**def**	def	3.1	61.9	**3.1**	5.3	**NM**	D-D	297	–1	def
Gaylord Container	**NA**	def	2.2	77.3	**NA**	–3.7	**NA**	P-D	718	–23	def
Medians	**15.9**	**11.2**	**8.2**	**34.1**	**8.0**	**3.4**	**18.8**	**–27.5**	**1,094**	**50**	**3.5**
Industry medians	**16.6**	**11.2**	**8.2**	**34.5**	**11.2**	**2.7**	**23.3**	**–24.8**	**1,379**	**103**	**4.2**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

HEALTH



These companies have the best return on capital of any industry group.

By Mary Beth Grover

OVER THE LAST 12 MONTHS, the median company in the health sector had a 16% increase in earnings per share. In contrast, the median company in the Forbes Industry survey of 1,150 corporations (excluding biotechnology firms) had a 2.6% decline in earnings. The magic bullets for the health companies are new drugs, an aging population, cost-cutting and consolidations.

Health care companies have bucked the downward trend in the Dow industrials. Through mid-November the health stocks followed by FORBES show an average gain of 0.8%, versus the Dow's 7% loss.

The outlook is particularly bullish for biotechnology com-

Health	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Drugs											
American Home Prods	55.4	61.1	33.5	34.1	5.8	2.4	48.3	13.8	6,802	1,207	17.7
Merck	44.6	48.9	39.3	2.7	14.7	16.0	29.5	20.2	7,333	1,707	23.3
Syntex	39.6	53.4	41.6	22.6	8.8	14.0	23.6	16.1	1,585	363	22.9
Marion Merrell Dow	35.8	42.5	36.9	3.6	30.2	103.8	20.7	88.8	2,169	396	18.3
Abbott Laboratories	34.4	34.7	28.7	4.2	12.3	12.9	18.6	15.7	5,904	939	15.9
Warner-Lambert	34.1	41.9	30.4	17.0	6.3	8.1	14.1b	19.8	4,485	472	10.5
Eli Lilly	24.8	26.9	25.0	6.6	6.2	20.2	13.4	21.6	4,894	1,097	22.4
Schering-Plough	23.9	27.9	24.4	7.5	12.2	5.7	20.1	19.6	3,300	546	16.5
Bristol-Myers Squibb	20.7b	19.0	18.1	4.1	11.7	10.6	NM	-30.8	9,924	970	9.8
Rhône-Poulenc Rorer	20.5	def	def	75.4	24.1	100.9	12.3	P-D	2,218	-117	def
Pfizer	18.8	15.9	14.8	3.4	8.6	10.3	6.9	0.2	6,115	734	12.0
Upjohn	16.8	11.0	9.4	10.7	7.3	2.1	5.5	-42.1	2,958	217	7.3
Cardinal Distribution	16.6	11.8	12.5	40.6	19.6	24.3	19.3	6.6	988	15	1.5
Bergen Brunswig	15.9	15.9	15.8	29.1	16.5	13.2	15.2	-1.5	4,442	63	1.4
Durr-Fillauer	13.8	14.7	14.4	2.1	14.3	17.3	12.8	1.2	791	16	2.1
McKesson	12.2	10.7	10.5	19.0	8.2	11.1	5.0	-10.4	8,165	99	1.2
Bindley Western Inds	8.1	9.1	7.6	49.8	24.2	28.0	-10.6	20.3	1,886	5	0.3
National Intergroup	def	def	def	29.1	NM	-4.6	NM	P-D	2,811	-266	def
Medians	20.6	17.5	16.9	13.9	11.9	13.1	13.8	10.2	3,871	380	10.1
Health care services											
FHP International	60.2b	22.8	20.3	18.7	41.2	40.6	-31.2	6.9	1,064	30	2.9
PacifiCare Health	25.3	36.3	38.0	0.3	64.2	50.1	16.1	54.2	976	18	1.8
National Health Labs	20.0b	23.7	23.8	0.0	24.2	29.3	31.5	31.7	493	79	16.3
Humana	19.9	22.8	15.1	40.3	15.7	18.7	NM	20.3	4,852	318	6.6
US Healthcare	17.7	31.8	32.9	0.0	34.2	35.3	NM	169.0	1,222	54	4.4
Manor Care	14.5	13.4	7.6	58.0	9.5	13.8	NM	25.4	730	29	3.9
National Medical	12.9	20.4	10.1	45.2	10.7	0.4	NM	55.0	3,834	251	6.6
Lifetime	6.2	14.3	11.0	48.8	NM	55.8	NM	254.8	663	16	2.4
Universal Health	5.1	7.4	7.0	48.8	11.4	6.4	-14.0	48.2	615	12	1.9
United HealthCare	1.8	40.0	25.1	5.3	41.7	40.0	NM	115.4	534	28	5.3

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

panies. After years of heavy losses, research efforts are finally starting to produce tangible—and promising—results. Amgen, the second-largest biotechnology firm, saw its stock (adjusted for a 2-for-1 split) more than double last year. Why? Epogen, its new anti-anemia drug, generated $280 million in sales in its first year and could do twice that in 1991.

According to Jacqueline Siegel, an analyst at Hambrecht & Quist, biotech outfits are on the verge of introducing two new important classes of drugs: one to combat septic shock, a bacterial infection that is the 13th leading cause of death in the U.S.; another to treat low white blood cell counts, which often occur in AIDS and chemotherapy patients.

In fiscal 1990 the government increased Medicare and Medicaid reimbursements by 4% to hospitals and 14% to

Health	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Beverly Enterprises	def	2.9	5.8	43.3	7.5	0.6	NM	D-P	2,098	12	0.6
American Medical	NA	def	def	82.7	8.1	–7.4	NA	D-D	2,546	–82	def
Foundation Health	NA	NE	45.3	80.2	70.8b	11.5	NA	D-P	905	14	1.5
Hillhaven	NA	NA	NA	66.5	11.9a	10.3	NA	NA	1,152	2	0.2
Medians	**14.5**	**20.4**	**15.1**	**44.2**	**13.8**	**16.2**	**NM**	**54.2**	**1,020**	**23**	**2.6**
Medical supplies											
CR Bard	22.4	12.9	11.5	17.4	14.5	–0.2	18.0	–40.2	778	42	5.4
Medtronic	21.7	19.4	19.4	1.3	14.3	19.9	20.9	11.4	932	117	12.6
Hillenbrand Inds	20.7	19.0	14.5	18.0	19.9	18.3	19.2	6.7	1,237	76	6.2
Becton Dickinson	18.8	16.7	12.6	32.5	11.4	11.1	27.7	–13.5	2,013	182	9.1
Bausch & Lomb	17.7	17.5	14.1	18.2	18.0	12.9	16.4	15.7	1,331	127	9.5
Corning	15.5	16.2	13.0	21.7	7.4	17.2	25.0	17.9	2,779	290	10.4
Beckman Instruments	14.1b	13.5	11.3	23.5	9.4	0.5	NA	–15.3	789	37	4.6
Baxter International	11.6	def	2.2	35.5	34.6	8.6	35.4	P-D	7,887	1	0.0
Owens & Minor	9.6	7.9	6.3	50.3	25.5	36.3	–7.7	37.7	1,180	6	0.5
Westmark Intl	4.9b	6.6	6.9	0.0	19.7	13.9	NM	11.0	479	19	3.9
Healthco Intl	3.4	def	def	39.9	10.9	5.7	NM	P-D	456	–26	def
Allergan	NA	9.6	9.3	11.3	27.1	4.7	NA	NA	850	46	5.4
Henley Group	NA	def	def	57.3	NA	41.0	NA	NA	1,901	–210	def
Medians	**15.5**	**12.9**	**11.3**	**21.7**	**16.3**	**12.9**	**18.6**	**6.7**	**1,180**	**42**	**5.4**
Biotechnology											
Diagnostic Products	24.9	22.1	23.8	0.0	27.7	30.3	36.2	14.8	72	17	23.4
Life Technologies	16.2	13.2	13.0	3.6	13.4	6.9	15.8	8.6	145	14	9.5
Applied Biosystems	15.6	def	def	5.7	54.2	0.3	31.2	P-D	159	–2	def
ALZA	13.3	11.5	9.4	26.7	22.9	29.2	37.7	28.8	93	24	25.3
Immucor	12.7	11.0	12.1	0.0	27.9	26.9	60.7b	41.7	13	2	17.8
ICN Biomedicals	12.3	19.1	10.9	36.3	40.0	124.7	10.1b	112.1	120	9	7.7
Molecular Biosystems	10.5	3.4	3.8	12.1	93.4	–19.3	79.1b	–75.5	13	1	8.7
Applied BioScience	10.2	15.3	12.6	5.3	25.3	63.4	53.8	–14.5	88	5	6.2
Collagen	3.5	8.2	7.5	20.6	21.2	19.5	29.2	5.1	56	4	6.7
Amgen	3.1	19.4	16.4	4.3	79.4	163.4	NM	D-P	268	40	14.9
IGI	2.5	0.0	1.9	31.9	–3.1	10.5	–48.2b	P-Z	20	0	def
Synergen	def	def	def	9.2	14.7	26.9	NM	D-D	12	–3	def
Gamma Biologicals	def	6.7	7.5	8.7	4.9	–4.2	NM	D-P	17	1	5.1
Centocor	def	0.1	0.7	9.1	45.6	15.7	NM	0.0	70	0	0.3
Genetics Institute	def	def	def	0.5	30.3	–28.7	NM	D-D	35	–37	def
Enzo Biochem	def	def	def	78.1	26.0	60.7	NM	D-D	19	–4	def
Synbiotics	def	def	def	0.4	63.0	129.5	NM	D-D	10	–3	def
Collaborative Research	def	def	def	0.0	12.5	–22.1	NM	D-D	9	–3	def
Genzyme	def	def	def	2.5	34.0	40.2	NM	D-D	43	–24	def
Genentech	def	def	def	15.0	47.0	22.8	NM	P-D	435	–100	def

Note: Biotechnology companies are excluded from our industry and all-industry medians. D-D: Deficit to deficit. P-Z: Profit to zero. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

HMOs. Between 6% and 8% of what hospitals charged privately insured patients went for Medicaid shortfalls.

Drug company stocks outperformed the market; those surveyed were up 8.4%. Most medical suppliers, aside from CR Bard—whose problematic heart catheter was recalled and remains off the U.S. market—posted earnings increases over the last 12 months. PaineWebber's David Lothson is especially bullish on Medtronic. Its Pacemaker Cardiovertor Defibrillator, which revives stopped hearts and calms rapidly beating ones, could be launched by year-end. ■

Health	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Cetus	def	def	def	60.0	–9.9	39.0	NM	D-D	26	–64	def
Calgene	def	def	def	7.7	104.7	23.1	NM	D-D	34	–10	def
Immunex	def	def	def	6.4	69.0	50.6	NM	D-D	32	–8	def
Chiron	def	def	def	51.3	48.2	20.7	NM	D-D	44	–8	def
Immunomedics	def	def	def	8.1	50.3a	102.3	NM	D-D	4	–2	def
Hana Biologics	def	def	def	2.7	22.6	–34.2	NM	P-D	4	–6	def
Cambridge Biotech	NA	def	def	14.5	NA	NA	NA	D-D	24	–13	def
Medians	def	def	def	8.1	29.1	25.0	NM	P-D	34	–2	–17.8
Industry medians	17.7	15.9	13.6	21.7	13.3	13.2	13.4	15.7	1,886	46	4.6
All-industry medians	14.6	12.1	9.2	32.6	11.3	6.6	6.9	–2.6	1,282	49	4.0

Note: Biotechnology companies are excluded from our industry and all-industry medians. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

Making the world a healthier place

Call it a merger of the dynamic duo. Bristol-Myers' combination with Squibb a little over a year ago catapulted the new company into the number two slot on the world's pharmaceutical register, with just above 3% of the worldwide pharmaceutical market. Only Merck, with a 4% share, is bigger.

The linkup joined Squibb's marketing moxie in Europe to Bristol-Myers' strength in Japan and Latin America. The two firms' pharmaceuticals divisions were consolidated into one worldwide operating group. This new division is a $4.4 billion giant with 62 manufacturing and 18 research facilities worldwide.

Says Chairman and Chief Executive Richard Gelb of Bristol-Myers Squibb, "We are well positioned in the global marketplace with therapies for a number of the most critical diseases that are known to mankind."

Richard Gelb of Bristol-Myers Squibb

Bristol-Myers Squibb is now backed by a worldwide pharmaceuticals sales force of over 8,000. The new company got off to a roaring start: 1990 international sales are expected to be 27% higher than they were in 1989.

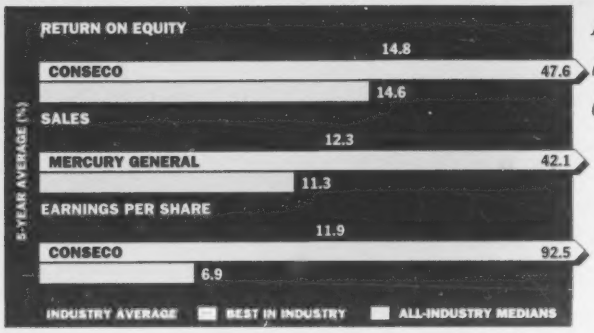
How about the effect of 1992? Drug prices vary by country in Europe and could be pushed lower once trade barriers fall. But Bristol-Myers could more than offset that risk by cutting excess European capacity, saving at least $280 million, figures Mary Ellen McCarthy, an analyst at Shearson Lehman Brothers.

Videx, a promising new AIDS drug, was discovered at the National Cancer Institute and licensed to Bristol-Myers in 1988. It may join Burroughs Wellcome's AZT as an FDA-approved AIDS treatment. The company expects to file a formal application for approval with the FDA early this year.

Bristol-Myers already has an international winner in Capoten, the third-largest-selling pharmaceutical in the world. This cardiovascular drug is one of five prescription medicines with sales in excess of $1 billion. It should remain a big seller at least until 1995, when its U.S. patent protection expires. By then, sales of Pravachol, a new cholesterol-lowering drug with the potential to be a blockbuster, should be well on their way. Pravachol is already on the market in eight foreign countries and it could be approved in the U.S. early this year.

Prudential-Bache analyst Barbara Ryan expects Bristol-Myers' earnings to grow nearly 20% through the mid-1990s, while Merck's should trail in the high teens. Here's to good health.—**M.B.G.**

INSURANCE



Insurers are getting their day in the sun. They would rather be back in the shadows.

By Carolyn T. Geer

THE INSURANCE INDUSTRY caught the spotlight last year after decades of operating in relative obscurity. Once considered important but dull, insurance is now a hot topic at board meetings, congressional hearings and dinner tables.

The talk is of costs, availability of coverage, and insurance company solvency. After the S&L debacle, the travails of First Executive Corp. and the collapse of the junk bond market, the public is wondering: Will insurance be the next casualty?

Well before junk bond and real estate values began to erode, the industry was under pressure. Profits of the property/casualty insurers as a group declined for the third year in a row last year, with insurers paying out an estimated $1.09 for each

Insurance	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Diversified											
Marsh & McLennan Cos	41.7	34.7	25.4	24.0	17.5	11.2	33.6	3.5	2,647	305	11.5
Loews	24.9	18.5	13.8	23.7	16.8	8.5	23.1	–8.9	11,966	879	7.3
American Intl Group	20.5	16.9	14.6	23.2	27.9	9.7	34.0	4.3	15,150	1,408	9.3
General Re	19.6	19.2	17.4	3.6	8.6	8.1	51.2	4.3	2,914	611	21.0
Safeco	19.1	14.3	11.6	14.6	7.9	13.4	22.5	–11.2	2,995	265	8.9
Leucadia National	18.8	35.8	27.0	44.2	30.4	–8.3	10.1	272.1	674	91	13.4
CNA Financial	17.7	8.7	8.6	0.9	19.7	7.5	27.2	–49.7	9,627	357	3.7
Aon	17.6	16.4	12.8	20.7	13.5	9.8	4.2	13.5	2,497	245	9.8
Kemper	17.0	0.9	1.4	11.1	12.5	6.5	35.8	–94.6	2,897	14	0.5
Cincinnati Financial	16.6	12.1	10.7	0.0	14.6	6.9	14.9	5.8	1,028	125	12.2
Reliance Group	16.4	67.4	23.1	53.8	13.7	12.6	NM	D-P	4,136	235	5.7
Alexander & Alexander	15.5	12.8	9.9	29.9	9.7	6.0	10.8b	–19.6	1,312	49	3.7
Zenith National Ins	15.2	10.2	9.8	5.3	26.0	6.5	41.4	–29.9	497	30	6.0
Old Republic Intl	14.8	15.0	13.4	16.7	14.4	7.6	NM	107.6	1,239	104	8.4
Transamerica	13.3	11.0	7.5	67.0	10.8	–2.7	13.5	–0.8	6,585	314	4.8
Uslico	12.6	9.4	7.7	23.7	22.5	13.4	NM	–5.3	462	29	6.3
Aetna Life & Cas	12.4	8.7	8.0	13.3	5.1b	4.4	34.5	–14.1	19,644	601	3.1
American General	11.6	11.3	8.2	44.3	6.2	5.6	2.4	18.1	4,469	540	12.1
Lincoln National	11.4	9.9	9.2	13.5	14.1	11.3	5.1	–1.1	8,477	230	2.7
Sears, Roebuck	10.4	8.2	7.2	43.8	6.8	4.5	NM	13.5	55,590	1,126	2.0
Independent Insurance	9.7	8.7	7.8	6.3	4.5	4.7	NM	–11.8	543	29	5.3
Cigna	9.6	7.2	7.0	12.0	5.9	13.6	–8.2b	–16.4	17,537	395	2.3
Travelers	7.2	def	def	15.5	4.4	–5.0	–19.0	P-D	11,719	–188	def
American Bankers	6.8	13.6	8.3	43.6	11.9	16.1	–5.8	48.2	732	24	3.3
Unitrin	N	6.1	6.1	0.0	NA	NA	NA	NA	1,200	111	9.3
Medians	**15.3**	**11.3**	**9.2**	**16.7**	**13.0**	**7.5**	**10.4**	**–1.0**	**2,914**	**235**	**6.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

$1 of premium written. Premium growth, which had been slowing since 1987, picked up only slightly last year. And claim costs again rose faster than premium prices. Although some specialty carrier rates showed modest price improvements—a benefit for such underwriters as Chubb and American International Group—standard commercial premiums remained under stiff competition. Profitability at established firms like Aetna, Cigna and Travelers Corp. was clobbered.

There's no immediate relief in sight. Explains Thomas Sargent, an insurance analyst with Conning & Co.: "Essentially there are two exogenous factors at work: regulation and substitute products." Populist politicians in California and New Jersey have won votes blaming the insurance companies for greedily raising auto rates (and ignoring the liability crisis that is in large part the cause of the escalation). In commercial lines, many customers are now opting to self-insure and looking for alternative suppliers.

Last May Delaware opened the door to still more competition by allowing bank subsidiaries in the state to sell insurance nationwide. The Federal Reserve Board later ordered Citicorp to stop selling life and health insurance from its Delaware arm, but Citicorp is appealing the decision. The trend toward demolishing barriers in financial services will not be reversed.

Life insurers continued to cope with falling returns and inadequate capital. At the same time, their balance sheets came under closer scrutiny. New York and Arizona regulators moved to limit insurers' investments in junk bonds. Real estate portfolios may well be next. Travelers Corp. set off alarms in October by announcing it was cutting its dividend

Insuring success abroad

Insurance companies in the U.S. have never looked much beyond their own backyards. The U.S. is, after all, the largest insurance market in the world. Indeed, with their hands full at home, many U.S. insurers are scaling back their international business or postponing plans to expand abroad.

Not Chubb Corp. Buoyed by four straight years of record earnings, this primarily property/casualty insurer based in New Jersey plans to provide more products and services to U.S. clients expanding overseas—and attract new foreign customers as well.

"I believe that over the next decade a company like Chubb can make more money in foreign markets than it can in the United States," says Chubb Chairman Dean O'Hare. In 1989 revenues from international operations totaled $438 million—14% of total revenues and 22% of profits. By 2000, O'Hare thinks one-quarter of the premiums it collects will come from abroad.

Will Chubb be a tough competitor for American International Group, which pioneered the foreign market? Not really. AIG's strength overseas is life insurance; Chubb's is property/casualty. Geographically, AIG has a greater presence in Asia; Chubb is better placed in Europe.

Insurance is less regulated abroad than here. Moreover, the U.S. market for insurance is shrinking relative to the world market. Ten years ago America accounted for over half of all premiums sold, versus 37% today. The Far East and Europe hold the promise for growth. In 1988 the insurance market grew 19% in Asia, 9% in Europe and only 2% in the U.S. World average: 8.6%.

Overseas, Chubb is taking the same selective marketing approach it takes here: serving wealthy individuals and companies in specific industries. High-margin specialty products, such as high-value homeowners insurance, executive protection plans and package policies for financial institutions, grew from 45% of Chubb's business ten years ago to around 60% last year.

The company is well positioned in Europe, with licenses or branch offices in 11 EC countries. In Asia, market access has been more difficult, with licenses difficult to obtain or highly restrictive. Chubb's solution, in countries like Malaysia, Thailand and Korea, has been to buy existing companies and put in its own product line.

Then it is full speed ahead. "Once you get your foot in the door," says O'Hare, "it all boils down to delivering customer satisfaction."—C.T.G.

Claudio Edinger/Gamma-Liaison

Dean O'Hare of Chubb Corp.

and adding $650 million to reserves for potential mortgage and real estate losses.

Consumers and government officials are on the march. In the last two years a staggering 24,000 insurance bills were introduced in state legislatures alone. Efforts to weaken insurers' antitrust immunity gained momentum when the House Judiciary Committee advanced a bill in June to repeal important aspects of the McCarran-Ferguson Act. The bill will be taken up again this session. The Senate Antitrust Subcommittee has also been probing the issue recently.

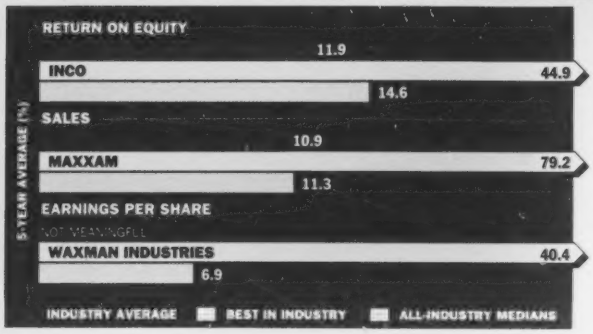
Smelling a challenge to their authority, state insurance commissioners are moving to put more muscle in their mandates. "Over the years, insurance regulators have acted very much in obscurity," says Joseph Belth, an insurance professor at Indiana University. "Today, they're going to be operating in a fishbowl." Between populist politics and regulatory activism at the federal and state levels, the insurance companies will be caught in the middle. ■

Insurance	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Life & health											
Conseco	47.6	24.9	13.7	60.3	NM	20.0	92.5	–40.5	709	37	5.2
First Capital Holding	35.6	12.3	10.7	48.7	NM	13.7	76.9	–47.2	1,039	49	4.7
Torchmark	25.1	28.8	18.4	33.7	7.4	5.3	17.1	19.3	1,739	233	13.4
Capital Holding	20.1	13.0	9.9	18.4	15.3	3.9	19.5	–30.3	2,485	187	7.5
American Family	19.4	15.6	8.5	7.1	27.0	6.1	11.9	33.7	2,552	109	4.3
Kentucky Central Life	12.7	7.6	6.3	31.6	16.3a	11.8	9.8a	–37.8	468	24	5.2
Provident Life & Acc	12.0	15.0	13.1	13.2	14.8	1.9	NM	31.9	2,670	181	6.8
NWNL	11.8	10.5	8.4	25.2	8.9a	–1.9	5.9a	11.8	1,355	52	3.8
UNUM	11.1b	12.9	13.2	0.0	10.5	9.5	NA	38.3	2,054	179	8.7
Liberty Corp	11.1	13.2	10.1	29.5	9.7	3.6	10.4	154.0	354	37	10.6
Jefferson-Pilot	10.3	10.9	9.5	0.0	1.5	1.6	NM	29.2	1,153	156	13.6
USLife	9.0	7.5	6.7	26.3	4.6	2.5	4.4	–8.1	1,219	69	5.7
American Natl Ins	8.6	5.8	5.2	0.0	6.4	2.1	–20.2	–5.7	1,040	93	8.9
Monarch Capital	4.7	def	def	0.0	12.1	–3.7	NM	P-D	430	–100	def
Washington National	0.4	0.8	1.2	5.6	16.6b	2.4	NM	D-P	792	3	0.4
Broad	0.2a	9.0	8.0	51.7	19.2a	37.4	NM	500.0+	847	33	4.0
First Executive	def	def	def	36.7	7.7	–60.1	NM	P-D	872	–736	def
ICH	defb	def	def	63.0	NA	–14.9	NA	D-D	1,905	–220	def
Medians	11.1	10.7	8.4	25.8	9.7	3.0	5.2	3.1	1,097	51	5.2
Property & casualty											
20th Century Inds	32.3	25.5	25.1	1.1	28.1	11.9	44.8	–2.8	773	81	10.5
Geico	30.6	24.3	20.4	18.8	14.3	1.7	12.7	36.6	1,971	234	11.9
Argonaut Group	30.6	17.3	17.1	0.0	–2.9	14.3	15.9	7.7	601	81	13.5
Hartford Steam Boiler	29.1	22.5	19.1	16.8	12.8	15.2	38.2	1.6	543	79	14.5
Progressive	28.0	19.6	10.1	61.2	38.2	–0.3	35.4	–14.5	1,371	83	6.0
WR Berkley	22.8	13.0	11.5	21.8	29.1	2.3	39.7a	–22.2	555	43	7.7
Mercury General	22.3	31.1	28.3	9.9	42.1	4.9	24.2	220.5	532	55	10.3
Selective Insurance	21.3	14.1	13.6	5.7	13.9	2.9	15.3b	–14.3	528	33	6.3
Hanover Insurance	18.6	6.3	6.3	0.0	18.6	6.7	47.7	–50.4	1,710	47	2.7
St Paul Cos	18.2	18.1	16.9	14.2	10.0	2.7	38.2a	22.8	3,903	424	10.9
Chubb	18.0	16.8	14.3	17.8	15.6	1.3	36.2	16.7	4,177	474	11.4
Ohio Casualty	16.1	10.4	9.3	0.0	9.4	4.4	30.6	–39.7	1,604	76	4.7
First American Finl	15.9	6.4	4.8	20.3	16.8	3.5	NM	7.3	722	10	1.4
Berkshire Hathaway	14.4	7.7	7.3	16.7	29.7	–8.2	15.5	–17.0	2,283	380	16.6
ITT	11.0	13.7	10.2	40.2	NM	0.4	25.3	43.5	20,245	1,131	5.6
USF&G	10.6	6.7	6.6	16.7	10.0	1.1	–32.5b	142.9	4,699	143	3.1
Xerox	10.1	2.2	5.3	45.9	9.7	3.3	13.3	–62.4	17,940	220	1.2
Orion Capital	8.5	15.0	10.8	43.4	17.4	0.5	NM	–7.7	819	29	3.6
Fremont General	7.7	17.5	12.6	34.5	NM	31.2	NM	314.0	590	29	4.9
Foremost Corp of Amer	6.9	def	def	32.4	NM	–4.5	NM	P-D	433	–8	def
Continental Corp	6.8	6.8	6.6	26.1	5.1	–5.6	NM	D-P	5,751	159	2.8
Alleghany	NA	11.0	9.0	33.8	39.9	32.8	NA	27.2	1,360	67	5.0
Medians	18.0	13.9	10.5	18.3	14.1	2.8	15.9	4.5	1,366	80	5.8
Industry medians	14.8	12.1	9.5	18.8	12.5	4.8	11.9	0.4	1,371	91	5.7
All-industry medians	14.6	12.1	9.2	32.6	11.3	6.6	6.9	–2.6	1,282	49	4.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

MATERIALS



These companies are hoping to weather this economic slowdown better than they did the last one.

By Vicki Contavespi

As the economy sputters, the steel industry is better positioned than it was ten years ago to survive a recession. Overcapacity has been trimmed, and more than $20 billion has been spent over the last decade to modernize U.S. steel mills. As a result, the average cost to make a ton of steel is now $415, versus $600 in 1982, according to John Jacobson of AUS Consultants. Adjust those prices for inflation, and the reduction is even sharper.

Ten years ago there was concern that U.S. steel producers couldn't compete with Japan. The industry has responded on two fronts: by becoming more efficient and by entering into joint ventures with the Japanese. Armco has a 50% interest in

Materials	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Steel											
Allegheny Ludlum	63.7b	27.9	21.3	12.9	11.8	–15.7	NA	–28.2	1,062	91	8.6
Birmingham Steel	33.3a	9.5	7.6	13.8	44.3b	–1.1	57.7b	–59.6	440	14	3.1
Worthington Inds	21.1	16.2	13.5	9.8	10.9	–7.2	16.3	–12.3	921	54	5.9
Valmont Industries	17.4	18.0	13.4	31.1	27.1	11.9	102.0b	–6.2	854	19	2.2
Lukens	17.3	22.1	17.4	7.0	10.5	5.6	59.5b	29.8	681	49	7.2
Nucor	16.1	11.9	8.9	6.0	13.4	16.5	9.7	–30.4	1,431	70	4.9
Central Steel & Wire	14.9	10.5	10.6	0.0	3.4	–10.6	14.8	–30.2	535	16	3.0
AM Castle & Co	14.0	8.3	7.2	47.9	11.2	–7.3	14.4	–38.1	477	6	1.2
Quanex	12.2	15.4	10.0	26.9	7.6	27.7	NM	–22.7	620	25	4.1
Bethlehem Steel	11.3	4.5	5.2	22.8	NM	–10.9	NM	–66.6	4,844	103	2.1
Inland Steel Inds	8.6	1.5	2.4	27.6	6.2	–7.4	101.5b	–85.9	3,917	43	1.1
USX	7.5	14.4	9.0	45.5	NM	5.3	NM	–5.0	18,126	795	4.4
Armco	7.0	def	def	28.0	–9.5	–38.8	NM	P-D	1,737	–61	def
Acme Steel	6.7	3.3	3.3	27.8	12.2	4.1	NM	–73.2	454	5	1.1
Carpenter Technology	6.5	13.9	9.5	22.4	2.4	–8.0	NM	50.0	576	44	7.6
Weirton Steel	3.3	6.1	4.3	51.5	5.1	–10.3	NM	17.9	1,214	21	1.8
Texas Industries	2.9	6.1	7.4	43.0	16.6	–4.1	–38.0	D-P	662	19	2.9
National-Standard	def	def	def	33.5	2.9	–7.9	NM	D-D	280	–14	def
Wheeling-Pittsburgh	def	NE	17.9	66.0	5.8	–6.1	NM	–40.0	1,091	92	8.5
Lone Star Tech	def	def	def	56.6	11.9	–8.8	NM	D-D	616	–100	def
LTV	def	NE	def	NE	–2.3	–5.4	NM	–50.8	6,104	163	2.7
Cyclops Industries	NA	def	6.2	56.1	19.0	–11.3	NA	P-D	1,218	–2	def
Medians	**8.6**	**7.2**	**7.5**	**27.7**	**9.0**	**–7.3**	**NM**	**–34.3**	**888**	**23**	**2.8**
Nonferrous metals											
Inco	44.9	34.3	20.0	29.8	23.9	–20.4	NM	–36.2	3,189	471	14.8
Maxxam	35.6	68.7	17.6	69.1	79.2	12.1	NM	134.9	2,410	163	6.8
AMAX	20.8	10.9	10.0	29.0	17.8	–6.7	NM	–63.0	3,720	224	6.0
Phelps Dodge	18.9	15.8	12.8	19.0	29.2	–5.6	NM	–61.6	2,615	211	8.1
Reynolds Metals	18.9	15.5	11.4	28.7	12.5	–1.4	70.6b	–26.3	5,982	415	6.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

a venture with Kawasaki in Ohio; Inland is working with Nippon Steel in Illinois and Indiana; and USX is in partnership with Kobe Steel in Lorain, Ohio.

But competition from substitute materials like aluminum and plastic promises to increase. General Motors, for example, is using more aluminum in engine castings, transmissions and other parts. U.S. cars now have about 160 pounds of aluminum. By the year 2000 this amount may more than double.

The outlook for copper may finally be improving this year. Throughout the 1980s the U.S. copper industry stagnated, smothered by overcapacity, huge inventories and antiquated machinery. It didn't help that Third World countries like Zambia and Chile had expanded production and were dump-

Champagne and copper do mix

Looking for ways to reinvigorate Magma Copper Co., in 1988 new Chief Executive J. Burgess Winter (FORBES, *Dec. 10, 1990*) started listening to John Champagne, his vice president of marketing and sales. Champagne suggested a fairly radical plan—selling refined copper to the Far East instead of cheaper copper concentrate that had to be further processed abroad.

It turned out to be a great idea. Magma (1990 sales, $900 million) expects revenues in excess of $300 million from its Pacific Rim business in 1991, up from nothing only two years ago. Magma, considered "the pioneer in the market" by people like Dean Witter analyst Ernest Nutter, is so sure of this foreign business that it gave up its annual $100 million (sales) contract with General Motors in 1989. The GM contract accounted for 22% of its copper mine production, but Magma didn't like the pricing terms. "We knew we could do better offshore," says Champagne.

This year at least 30% of Magma's production will go to the Far East; next year the company projects an increase to 40%. The new strategy is helping Magma surmount a geographic disadvantage. While the company's facilities are all in Arizona, most of its customers are in the Northeast and industrial Midwest—areas that are served more economically by close-by Canadian producers. Looking west to the Pacific Rim makes sense: It costs less for Magma to ship copper to Japan than to the East Coast.

Moreover, Magma can ship copper from Arizona to Long Beach, Calif. and on, say, to Osaka in two to three weeks; it takes Chilean producers six to eight weeks to supply Osaka. And it takes landlocked Zambia, Japan's largest supplier, about three months. Magma's shorter delivery schedule to Japan fits nicely with that country's just-in-time inventory style of management.

Foreign exchange rates also make Magma's copper an attractive buy to the Japanese. Copper's price has doubled, from 60 cents to $1.20 a pound, since 1985. But over the same period, the dollar's value has dropped about 50% against the yen, so in yen, copper's price is about the same in 1990 as it was five years ago. True, copper is priced in dollars worldwide. But Magma has additional virtues to trumpet. John Champagne says he points out to the Japanese that "we are stable, reliable and we're not a Third World country." The Japanese Wire & Cable Makers Association has petitioned the Japanese government to eliminate the duty on refined copper coming from the U.S.

The Japanese expect to get 35% of their refined copper via imports this year, and Magma expects to be supplying 10% to 15%.—V.C.

Reed Rahn

Magma Copper's John Champagne

ing on world markets.

But here, too, companies have addressed the challenges. The large inventory of copper has finally been brought under control. Copper now sells for $1.13 a pound, versus 58 cents at its low in late 1984. Demand from the Far East for U.S. copper is growing. Meanwhile, domestic copper producers, such as Phelps Dodge, Cyprus Minerals and Asarco, are investing in extraction methods that dissolve the metal from low-grade copper waste or oxide ore deposits. This method is roughly half as expensive as the conventional copper smelting process, and is kinder to the environment.

Both gypsum and cement are having short-term problems, since demand for these materials is closely matched to construction activity. In October 1990 National Gypsum filed for Chapter 11. In December Lone Star cement followed suit. Don't forget that there is huge leverage in these businesses. Gypsum and cement producers could experience a healthy rebound once the economy recovers. ■

Materials	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Alcan Aluminium	**16.1**	10.3	7.7	18.6	**11.3**	–4.1	**64.8**b	–48.8	8,603	488	5.7
Asarco	**15.9**	14.2	11.8	21.0	**13.4**	–3.9	**NM**	–15.5	2,190	205	9.3
Alcoa	**15.0**	11.6	11.5	14.6	**10.5**	–1.5	**66.2**b	–38.8	10,697	600	5.6
Cyprus Minerals	**11.4**	10.2	9.8	14.0	**22.8**	3.4	**147.8**b	–54.6	1,825	137	7.5
Magma Copper	**11.2**b	19.5	12.2	42.9	**20.9**	20.0	**NM**	17.2	779	67	8.6
Newmont Mining	**4.9**	NE	50.8	96.1	**–5.7**	12.5	**NM**	206.4	667	421	63.1
Handy & Harman	**4.7**	6.6	6.1	44.7	**2.3**	–13.7	**NM**	–22.5	575	8	1.3
Engelhard	**3.2**	def	def	15.1	**NM**	17.8	**NM**	P-D	2,911	–97	def
Tredegar Industries	**NA**	0.0	0.9	31.1	**3.5**	–9.5	**NA**	NA	580	0	0.0
Medians	**15.9**	**11.2**	**11.5**	**28.9**	**13.0**	**–2.7**	**NM**	**–36.2**	**2,513**	**208**	**6.9**
Cement & gypsum											
Florida Rock Inds	**20.1**	12.8	9.9	20.7	**12.7**	–7.3	**4.0**	–15.9	404	20	5.1
USG	**17.4**	NE	17.6	211.7	**NM**	–3.8	**–23.7**	–92.3	2,124	5	0.3
Southdown	**16.5**	13.5	9.3	28.7	**15.3**	–9.5	**NM**	31.1	567	52	9.2
CalMat	**15.5**	21.2	16.2	9.9	**15.0**	–27.7	**33.4**	92.7	471	112	23.7
Lafarge	**13.4**	7.8	6.2	35.3	**10.9**	11.6	**63.7**a	–38.2	1,602	64	4.0
Holnam	**10.4**	def	2.8	41.4	**20.5**	–0.3	**NM**	P-D	1,044	–19	def
Lone Star Industries	**def**	def	def	48.1	**–20.8**	–21.6	**NM**	P-D	273	–275	def
Medians	**15.5**	**7.8**	**9.3**	**35.3**	**12.7**	**–7.3**	**–23.7**	**–38.2**	**567**	**20**	**4.0**
Other materials											
Waxman Inds	**33.2**	18.2	9.3	85.1	**36.1**	44.0	**40.4**	–25.0	443	6	1.4
Tyco Laboratories	**24.2**	23.0	15.9	29.8	**27.1**	13.7	**22.8**	25.4	2,331	126	5.4
Vulcan Materials	**21.2**	18.3	15.6	5.8	**1.9**	0.6	**17.9**	–7.5	1,092	120	11.0
Armstrong World Inds	**17.8**	15.6	12.4	12.2	**12.0**	–2.1	**16.7**	16.0	2,548	184	7.2
Masco	**17.4**	9.8	7.9	40.6	**26.5**	8.2	**9.9**	–32.8	3,224	180	5.6
Ply Gem Industries	**12.6**	5.8	6.2	57.3	**27.7**	19.5	**NM**	–41.0	556	6	1.1
Morgan Products Ltd	**11.9**	def	def	32.4	**9.4**	–3.6	**NM**	P-D	421	–4	def
Ameron	**10.1**	9.6	7.4	41.8	**8.9**	7.3	**9.8**	4.0	442	13	2.9
Hughes Supply	**9.7**	4.8	4.9	50.4	**14.1**	7.0	**4.2**	–47.5	561	4	0.8
Harsco	**7.9**	12.4	10.7	21.5	**3.2**	15.9	**–20.3**	D-P	1,579	49	3.1
Noland	**6.5**	5.0	5.1	29.6	**6.2**	–3.7	**–4.3**	40.4	442	5	1.1
Owens-Corning	**1.2**	NE	30.6	137.6	**–2.1**	13.4	**NM**	–16.5	3,213	153	4.8
Nortek	**0.1**	def	0.7	52.3	**20.3**	–4.9	**NM**	D-D	1,069	–26	def
Grow Group	**def**	def	2.9	53.7	**10.0**	0.3	**NM**	P-D	414	–2	def
HH Robertson	**def**	def	1.7	38.5	**–5.3**	3.1	**NM**	D-D	528	–2	def
Dravo	**def**	13.0	12.3	25.8	**–25.1**	5.1	**NM**	D-P	293	17	5.6
Eljer Industries	**NA**	6.1	5.1	47.3	**8.8**	2.9	**NA**	–44.3	447	6	1.2
Manville	**NA**	17.6	11.3	41.1	**3.8**	3.7	**19.5**b	27.3	2,224	155	7.0
Medians	**9.9**	**7.8**	**7.6**	**40.9**	**9.1**	**4.4**	**–4.3**	**–20.8**	**559**	**10**	**2.2**
Industry medians	**11.9**	**9.6**	**9.0**	**29.8**	**10.9**	**–2.1**	**NM**	**–31.6**	**1,044**	**43**	**3.1**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

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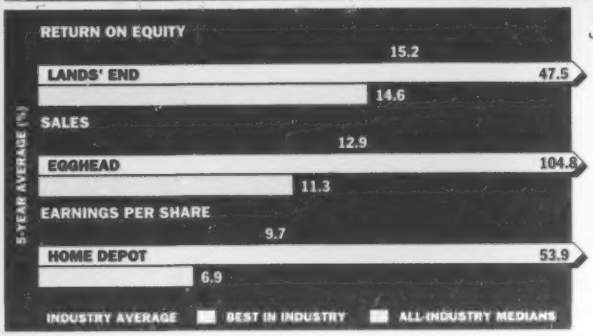


So many stores. So little spending.

By Steve Weiner

BLAME SADDAM HUSSEIN for the retail recession of 1990. "Telephone orders to our catalog declined in a range of 12% to 15% [below year-earlier figures] week after week, after the trouble began in the Middle East," says Robert Gill, vice chairman of J.C. Penney Co. To Woolworth Corp., the invasion of Kuwait "was like a curtain coming down," agrees Harold Sells, chairman and chief executive officer. The University of Michigan's consumer confidence index plunged more sharply in the third quarter than in any previous three-month period.

Retailing	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Department stores											
Dillard Dept Stores	18.2	16.3	11.2	38.8	18.5	22.9	18.2	27.6	3,485	176	5.1
May Dept Stores	17.7	19.3	11.8	45.1	2.9	-3.8	13.0	15.7	10,020	531	5.3
JC Penney	16.7	15.6	10.4	28.8	3.5	4.4	20.4	-11.7	16,368	738	4.5
Mercantile Stores	15.6	12.4	11.5	15.0	6.3	2.2	10.0	-2.7	2,355	132	5.6
Strawbridge	14.8	12.5	8.8	45.6	8.9	6.7	7.1	5.4	983	30	3.0
Sears, Roebuck	10.4	8.2	7.2	43.8	6.8	4.5	NM	13.5	55,590	1,126	2.0
Equitable of Iowa	10.0	8.4	7.6	6.9	9.5	13.3	11.7	2.9	639	23	3.6
Alexander's	7.8	def	def	31.1	-1.5	-0.6	24.2	P-D	460	-4	def
Carter Hawley Hale	NA	NE	6.9	111.3	NM	2.5	NM	P-D	2,858	-9	def
Neiman Marcus Group	NA	1.5	8.4	45.9	13.9	15.1	NA	300.0	1,689	28	1.7
Medians	15.2	10.3	8.6	41.3	6.5	4.5	11.7	4.1	2,607	81	3.3
Apparel											
Limited	35.4	30.3	21.7	32.2	25.4	15.2	26.5	20.1	5,092	379	7.5
Gap	32.8	35.9	34.6	1.2	24.4	26.6	44.8	27.8	1,854	122	6.6
Merry-Go-Round	25.9	33.3	27.8	15.4	24.1	47.6	16.3	83.6	592	35	5.8
Melville	22.9	19.5	19.2	2.1	11.6	10.7	15.8	6.7	8,109	388	4.8
Charming Shoppes	22.8	13.7	12.0	9.4	22.3	10.7	10.5	-15.3	872	36	4.2
Genesco	20.8	5.8	6.1	26.4	-4.6	0.9	NM	-62.5	485	7	1.5
Nordstrom	20.2	13.8	10.4	34.9	21.8	10.5	23.8	-22.5	2,849	101	3.5
Edison Bros Stores	15.4	26.6	22.2	2.8	5.8	16.2	17.7	31.4	1,152	65	5.6
Burlington Coat	14.7	11.7	10.4	30.2	17.5	20.4	8.4	7.1	818	24	3.0
Petrie Stores	9.0	3.7	3.7	14.9	4.6	3.0	-16.3	-23.9	1,293	24	1.9
Brown Group	8.8	10.2	8.6	27.4	4.4	2.7	-14.5	245.6	1,830	34	1.9
Hartmarx	8.6	def	def	38.2	3.3	3.8	-11.8	P-D	1,307	-53	def
US Shoe	7.0	11.1	9.2	21.3	7.9	13.2	-13.3	126.7	2,743	61	2.2
TJX Cos	NA	31.8	15.2	49.0	18.4	10.3	22.0	-8.8	2,268	73	3.2
Medians	20.2	13.8	11.2	23.9	14.6	10.7	13.1	6.9	1,569	49	3.4

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes; Value Line Data Base Service via Lotus CD Investment.

But the retailers' problems run deeper than the Middle East. "There's simply too much retail space," complains Woolworth's Sells. Carl Steidtmann, chief economist at Management Horizons, the retail consulting arm of Price Waterhouse, figures nationwide retailing profits fell 5% or more in 1990—the fourth down year in a row for the industry. "Stores aren't giving customers what they want," he says. "They have reduced inventories, and that reduces choice."

Last year's casualties included Toronto-based Campeau Corp.'s jewels, Federated Department Stores and Allied Stores Corp.; they went into Chapter 11 last January. In April discounter Ames Department Stores filed for Chapter 11 and closed more than 200 stores. Saks Fifth Avenue and Marshall Field's changed hands. Sears, Roebuck's retailing operations

Starting with a head start

Others will have to ride out the U.S. downturn, but we can soften it by our presence in foreign markets," says Harold Sells, 61, Woolworth Corp. chairman and chief executive officer.

Woolworth's hottest market? Germany. "We've never seen a boom period like we're seeing there now," says Sells, who has been top executive of the $9.5 billion (sales), 8,600-store, New York-based chain store operator for the last four years. Same-store German sales rose 30% in the four months after East Germans received real deutsche marks in July. Revenues at the company's 24 stores in Berlin climbed better than 60% in the same period. In 1989 German operating profits were $80 million, equal to about 12% of Woolworth's total. The contribution from Germany should climb to the high teens in fiscal 1990 (which ends this month).

Unlike most retailers, Woolworth is used to running foreign stores. The company opened its first foreign store in Toronto in 1897, its first British unit in 1909 and its first German outlet in 1926. The foreign operations have constituted 25% of the company's store total for 20 years. Woolworth now has more than 2,500 stores in Europe, Canada and Australia, most of them shoe stores. Foreign operations account for better than 40% of Woolworth's operating earnings on a like percentage of sales.

How does Woolworth do it? It uses local managers who develop country-specific strategies rather than relying on a companywide master plan. In the U.S., for example, Woolworth has successfully expanded its specialty apparel and shoe stores (Kinney, Foot Locker) while its traditional five-and-dime general stores have been sharply pruned. The company sold its majority stake in its struggling U.K. dime stores in 1982.

But in Germany, where store hours and mall expansion are sharply limited, its general stores are three times as profitable as those in the U.S. So Woolworth has more than 290 of them there (of a total 445 units of all kinds). Even so, these aren't true dime stores; they stock higher-quality goods and far more apparel than do their U.S. counterparts.

Woolworth's specialty operations are also slated for overseas expansion. One plan: Saturate Europe with 1,000 Foot Locker athletic shoe stores by the year 2000—up from 16 today. "We're moving as fast as we can in England, France and Italy," says Sells. There's nothing like a good head start to help win a race.—S.W.

Alan Levenson

Harold Sells of Woolworth

took $120 million in losses in the first three quarters, and Sears, like most other big retailers, began its post-holiday clearance sales weeks early, before Christmas.

The forecast for the coming year is no better. "The first quarter frightens me," says Kenneth Macke, chairman and chief executive officer of Dayton Hudson Corp. Says economist Steidtmann: "There's nothing out there to turn it around." Among potential shakeout candidates: Carter Hawley Hale Stores, which sold its Thalhimers division to cut debt, and privately owned R.H. Macy, where same-store sales fell 14% in October.

Who's doing well? Among a handful of others, the Gap and the Contempo Casuals division of Neiman Marcus Group. The Gap's latest 12-month profits were up 28%, and the chain continues to expand at a rapid pace. Like their successful counterparts, both the Gap and Contempo keep assortments fresh and focus on customers likely to make repeat purchases. The four-year-old GapKids chain has also been a great success.

Among full-line retailers, Dillard Department Stores re-

Retailing	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Drug & discount											
Wal-Mart Stores	36.0	29.7	23.7	28.2	32.5	25.0	33.3	27.6	28,814	1,185	4.1
Pic 'N' Save	25.1	7.2	6.4	2.3	14.9	15.9	NM	–62.7	511	16	3.1
Drug Emporium	21.0	14.9	8.7	50.0	42.7	22.3	59.8b	–8.7	546	8	1.5
Walgreen	20.8	21.2	16.9	12.2	14.8	12.4	11.8	13.2	6,047	175	2.9
Rite Aid	19.8	14.8	9.9	42.3	19.0	8.9	11.2	6.8	3,306	104	3.2
Family Dollar Stores	18.2	16.1	15.0	0.0	17.3	15.5	NM	33.3	874	29	3.3
Longs Drug Stores	17.6	17.0	16.0	0.0	9.0	9.8	12.1	4.1	2,257	61	2.7
Consolidated Stores	17.5	def	def	42.1	61.3	2.5	NM	P-D	643	–9	def
Dayton Hudson	17.0	19.4	12.3	58.0	11.4	8.3	10.8	28.8	14,359	425	3.0
Ross Stores	14.4	20.5	15.7	31.3	25.5	10.2	NM	–23.8	785	22	2.8
Fay's	14.2	15.8	11.3	37.7	8.5	14.5	18.8	–8.9	644	11	1.7
Hills Dept Stores	13.3a	def	7.4	98.0	7.0	16.9	NM	D-D	2,157	0	0.0
Kmart	13.2	6.7	6.7	37.2	6.9	13.7	NM	–54.5	32,334	334	1.0
Genovese Drug Stores	12.6	9.5	7.1	43.3	13.9	6.7	NM	–28.3	429	3	0.8
Fred Meyer	10.4	def	0.9	46.3	9.5	14.0	NM	P-D	2,442	–5	def
Big B	9.9	def	0.2	48.6	21.0	25.0	NM	P-D	460	–3	def
Dollar General	9.1	10.8	10.4	31.9	4.1	4.9	–10.2	16.4	643	13	2.0
Rose's Stores	8.7	3.4	4.6	23.3	10.8	5.0	–14.9	–14.6	1,539	7	0.5
Medco Containment	8.6	3.1	3.8	24.8	82.6	34.8	54.1a	–44.1	1,078	9	0.9
Jamesway	8.0	def	2.2	46.9	12.9	9.7	–12.7	P-D	937	–1	def
Wholesale Club	0.3	18.9	13.9	24.4	67.9	38.7	NM	58.1	667	6	1.0
Perry Drug Stores	def	11.3	8.0	63.2	11.4	–2.4	NM	500.0+	659	6	0.9
Ames Dept Stores	def	def	def	127.3	39.0	–9.4	NM	D-D	4,210	–776	def
Medians	13.3	10.8	8.0	37.7	14.8	12.4	NM	–14.6	937	9	1.0
Specialty											
Lands' End	47.5	14.2	13.8	2.9	26.0	8.2	30.7a	–42.3	576	16	2.8
Sotheby's Holdings	46.7	46.0	52.4	0.1	31.2	19.7	88.9b	53.4	465	128	27.7
Jostens	39.3	25.2	21.1	16.9	7.3	10.5	18.1	8.6	799	60	7.6
Intelligent Electron	31.0	27.6	21.7	21.3	NM	189.7	122.2b	115.6	1,352	25	1.8
Circuit City Stores	30.9	22.6	18.8	19.4	32.9	20.7	33.0	13.5	2,265	82	3.6
Blair	30.1	32.0	32.0	0.0	7.6	10.1	12.7	22.2	470	36	7.6
Blockbuster	28.8	27.6	21.6	34.4	NM	79.3	NM	70.2	584	63	10.8
Price Co	27.1	23.0	17.4	23.7	32.4	7.9	27.7	7.4	5,286	125	2.4
Home Depot	25.0	27.5	20.0	44.8	44.0	37.0	53.9	45.4	3,521	152	4.3
Spiegel	24.2	18.1	10.5	62.5	18.1	19.4	37.1	10.8	1,892	75	4.0
Toys 'R' Us	21.8	18.8	16.9	9.2	24.9	21.6	25.2	19.1	5,290	330	6.2
Tandy	20.3	16.4	14.6	12.0	9.3	8.8	9.4	–4.7	4,604	280	6.1
Sherwin-Williams	19.0	18.0	15.0	11.6	NM	6.4	11.7	11.6	2,228	121	5.5
Woolworth	17.3	16.7	14.7	11.2	9.4	11.1	17.9	15.6	9,520	343	3.6
Best Buy Co	17.1	9.0	8.1	34.9	60.3	20.7	NM	500.0+	604	6	1.0
QVC Network	17.0b	def	0.5	63.9	NA	500.0+	NA	P-D	666	–6	def
InterTAN	15.6b	11.1	10.4	14.3	13.3	7.6	NA	–40.2	700	23	3.3
Pep Boys	15.3	12.6	9.1	40.0	18.2	20.7	12.0	4.4	868	40	4.6
Businessland	14.7	def	def	37.6	61.9	9.2	NM	P-D	1,347	–48	def
Hechinger	13.8	8.4	6.8	28.1	25.8	19.7	8.0	–6.1	1,394	33	2.3
MicroAge	13.7	22.4	20.8	12.6	44.0	71.0	NM	52.1	622	6	1.0
Inacomp Computer	13.2	15.2	13.9	51.8	36.2	42.3	37.4	9.2	500	7	1.4
Service Merchandise	12.8	NE	11.9	104.2	12.5	7.3	NM	–34.3	3,435	53	1.5
Town & Country	12.5	7.3	7.2	68.4	47.8	17.7	NM	125.0	416	6	1.5
Lowe's Cos	12.5	12.7	11.1	18.5	8.7	10.6	3.4	12.8	2,841	82	2.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES; Value Line Data Base Service via Lotus CD Investment.

mained a standout because of tight cost controls and astute pricing.

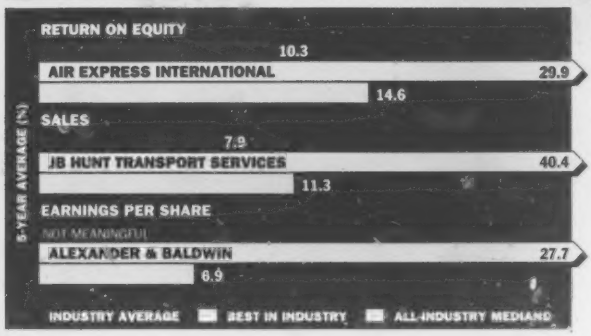
The promotional, price-cutting environment in retailing intensified last year in the restaurant industry as well. The off-price binge was led by Domino's and Little Caesar International (both privately owned pizzamakers), and PepsiCo's Taco Bell and Pizza Hut units. At McDonald's, where analysts figure domestic comparable-store sales slumped 4% last year, marketers said they would eliminate foam containers—a big environmental issue—and try low-fat beef. ■

Retailing	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Costco Wholesale	10.3	17.9	14.7	22.3	67.5	37.8	97.2b	44.3	4,133	49	1.2
Highland Superstores	9.5	def	def	41.7	20.6	–0.5	NM	D-D	911	–10	def
Home Shopping	7.3b	22.4	11.9	54.5	64.1b	30.2	NM	D-P	1,008	32	3.2
Dart Group	5.3	4.2	6.8	33.7	68.3	18.3	13.4	–41.8	996	12	1.2
Child World	5.1	0.1	0.7	9.4	14.6	1.4	NM	–98.8	843	0	0.0
General Host	4.5	2.5	5.9	50.0	–5.0	5.4	NM	D-P	507	4	0.8
Lionel	4.2	def	0.8	47.2	7.9	3.5	–41.3	P-D	436	–3	def
Grossman's	3.1	5.8	8.2	30.8	–4.7	–29.8	NM	–59.4	811	7	0.9
Intermark	def	def	def	68.2	13.8	43.4	NM	D-D	1,067	–39	def
Egghead	def	5.7	5.6	0.0	104.8	20.8	NM	D-P	495	6	1.1
Horn & Hardart	def	def	def	78.9	8.8	20.6	NM	D-D	633	–15	def
Waban	NA	8.2	7.8	9.5	47.1	19.4	NA	NA	2,240	22	1.0
Medians	**15.0**	**12.7**	**11.1**	**28.1**	**19.4**	**19.4**	**8.7**	**10.0**	**911**	**25**	**1.8**
Supermarkets & convenience											
Arden Group	33.0	27.7	17.5	36.1	–4.9	–2.6	34.2	7.3	336	12	3.7
Food Lion	32.0	30.5	23.1	25.3	26.3	19.7	30.5	27.5	5,325	165	3.1
Giant Food	24.8	23.0	16.4	29.9	9.0	6.9	20.1	8.0	3,325	114	3.4
Albertson's	22.7	23.8	19.6	13.9	9.6	9.1	20.7	17.4	8,045	220	2.7
Hannaford Bros	20.3	19.1	13.3	34.2	16.4	12.9	21.8	11.8	1,659	41	2.5
Bruno's	20.1	20.0	13.8	30.9	25.6	11.5	16.4	24.2	2,450	63	2.6
Smith's Food & Drug	19.4a	13.5	9.0	48.8	23.0	19.9	21.9	16.2	1,977	33	1.7
Weis Markets	17.9	15.2	14.8	0.0	5.2	2.0	10.6	0.5	1,268	86	6.8
Seaway Food Town	17.5	9.1	6.6	55.4	1.9	6.6	40.0	–23.4	546	3	0.5
Schultz Sav-O Stores	17.3	11.7	9.9	42.3	4.5	4.6	17.3	–21.3	480	4	0.8
Winn-Dixie Stores	17.2	19.1	18.1	8.9	4.8	6.1	3.1	10.3	9,860	152	1.5
Casey's General Store	16.8	11.1	7.9	40.7	12.7	13.8	18.9	37.7	513	8	1.6
Village Super Market	15.2	9.0	7.9	40.2	15.6	3.5	8.6	–7.9	681	4	0.6
Marsh Supermarkets	15.2	16.7	9.5	51.3	8.0	13.0	17.8	20.8	1,014	12	1.2
Ingles Markets	14.9	9.6	8.0	55.2	13.9	16.4	17.5	–16.3	999	12	1.2
Great A&P Tea	13.8	14.0	11.0	29.6	14.2	3.3	25.9	8.4	11,125	153	1.4
Circle K	13.5	NE	def	141.2	23.7	–0.6	–11.9	P-D	3,637	–791	def
Ruddick	13.3	14.6	11.1	33.1	11.0	9.3	8.4	15.0	1,422	24	1.7
Delchamps	12.7	13.9	11.3	21.2	9.6	5.9	NM	11.6	966	14	1.4
American Stores	11.9	12.6	8.3	71.6	11.6	6.3	–10.4	86.4	22,589	149	0.7
Foodarama Supermkts	9.3	8.0	6.3	64.2	4.6	20.1	NM	130.2	652	3	0.4
Dairy Mart	7.6	8.1	7.7	66.6	42.2	–10.1	NM	110.7	552	2	0.5
Kroger	5.7	NE	20.7	243.9	3.7	7.3	NM	D-P	20,201	21	0.1
Natl Conenience	def	def	2.1	58.0	3.4	–1.3	NM	D-D	1,069	–8	def
Eagle Food Centers	NA	14.5	10.9	56.8	–1.9	4.2	NA	–11.9	1,145	9	0.7
Penn Traffic	NA	def	3.7	95.7	35.7	40.4	NA	D-D	2,896	–32	def
Riser Foods	NA	23.5	9.2	69.0	NA	–2.6	NA	D-P	1,054	6	0.5
Vons Cos	NA	18.3	8.8	76.7	15.3	3.2	NM	D-P	5,316	35	0.7
Medians	**16.0**	**13.9**	**9.7**	**45.6**	**11.0**	**6.4**	**16.4**	**11.7**	**1,345**	**13**	**1.2**
Restaurant chains											
McDonald's	22.2	21.1	12.1	45.9	13.1	9.8	15.1	13.5	6,555	787	12.0
Bob Evans Farms	17.5	13.1	12.6	0.9	17.1	9.9	13.4	–8.5	469	28	5.9
Morrison	16.0	12.4	10.5	15.5	12.4	8.1	15.2	–30.0	917	22	2.4
Collins Foods Intl	14.9	11.8	10.4	4.4	6.3	8.8	10.1	0.0	594	30	5.1
Shoney's	11.6	NE	25.6	206.0	12.6	8.6	–5.9	63.6	912	28	3.1
Carl Karcher	10.5	8.6	7.7	61.2	9.8	6.7	NM	–67.8	520	5	1.1
Wendy's Intl	5.2	8.5	7.8	26.5	1.0	–4.6	NM	46.2	1,004	36	3.6
Medians	**14.9**	**11.8**	**10.5**	**26.5**	**12.4**	**8.6**	**10.1**	**0.0**	**912**	**28**	**3.6**
Industry medians	**15.2**	**12.6**	**10.4**	**34.2**	**12.9**	**10.1**	**9.7**	**7.3**	**1,078**	**24**	**1.8**
All-industry medians	**14.6**	**12.1**	**9.2**	**32.6**	**11.3**	**6.6**	**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

TRANSPORT



The old war between railroads and truckers may heat up again. Truckers have declared a truce, but only with one another.

By Roula Khalaf

RAILROADS REJOICED LAST YEAR when the Department of Transportation recommended the repeal of the Federal Employers Liability Act. This 1908 law brought about a complex tort-based system by which railroads compensate workers injured on the job. The industry contends the act costs railroads $1 billion a year, $300 million more than similar injuries cost other industries. The industry hopes the issue will be taken up by Congress in 1991.

Railroads are preparing for another battle on Capitol Hill, this one against truckers. In 1991 the Highway Bill is due for reauthorization, and the rail lines are worried that truckers will succeed in having the federal weight limit of trailer

Transport	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Railroads											
Burlington Northern	-20.4	24.1	9.2	46.3	1.6	1.6	-13.5	88.5	4,687	265	5.7
Union Pacific	11.1	15.5	8.5	37.9	-4.9	12.1	NM	7.5	7,101	609	8.6
Norfolk Southern	10.4	11.7	7.2	10.2	5.1	0.3	NM	-1.7	4,601	587	12.8
CSX	8.3	12.3	6.9	32.4	NM	3.8	NM	4.1	8,052	412	5.1
Kansas City Southern	1.1	13.9	10.3	31.6	1.1	2.7	NM	D-P	521	54	10.3
Santa Fe Pacific	def	def	0.0	56.0	-16.3	-2.7	NM	P-D	2,950	-254	def
Consolidated Rail	NA	3.7	3.0	32.2	1.0	-4.0	-18.2	-50.1	3,354	90	2.7
Illinois Central	NA	NA	NA	63.6	-10.9a	2.3	NA	NA	556	63	11.4
Medians	9.4	12.3	7.2	35.1	-2.0	2.0	NM	4.1	3,978	178	7.1
Trucking & shipping											
Alexander & Baldwin	27.9	18.0	12.4	27.2	7.9	13.6	27.7	-48.0	704	109	15.4
JB Hunt Transport	25.1	18.2	10.9	26.2	40.4	15.3	17.1	3.8	553	32	5.7
Yellow Freight Sys	12.3	5.4	4.7	21.1	9.7	4.6	-11.3	-59.8	2,284	25	1.1
Roadway Services	12.1	14.4	13.1	0.0	12.3	12.8	NM	7.3	2,871	104	3.6
Consol Freightways	9.6	def	def	34.1	15.7	17.9	9.1	P-D	4,112	-58	def
Carolina Freight	7.1	def	0.6	36.2	7.2	6.6	-12.0	P-D	710	-2	def
American President	6.6	def	def	39.6	20.6	-1.5	NM	P-D	2,227	-70	def
Preston	2.8	def	def	55.2	16.7	6.3	NM	P-D	654	-23	def
Avondale Industries	defa	def	def	15.4	10.3	8.2	NM	P-D	740	-21	def
Medians	9.6	def	0.6	27.2	12.3	8.2	-12.0	P-D	740	-2	-0.3
Air freight											
Air Express Intl	29.9	26.4	20.1	41.6	13.9	7.7	25.4b	52.1	552	11	2.0
Federal Express	10.3	8.1	5.7	46.2	27.6	27.0	10.8	-15.1	7,284	128	1.8
Airborne Freight	10.3	18.7	11.9	22.6	17.9	25.5	NM	103.1	1,127	34	3.1
Pittston	def	3.1	3.8	22.4	6.2	7.8	NM	-53.9	1,765	13	0.7
Medians	10.3	13.4	8.8	32.1	15.9	16.6	NM	18.5	1,446	24	1.9
Industry medians	10.3	9.9	6.3	32.4	7.9	6.6	NM	-31.6	2,227	34	2.7
All-industry medians	14.6	12.1	9.2	32.6	11.3	6.6	6.9	-2.6	1,282	49	4.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: FORBES, Value Line Data Base Service via Lotus CD Investment.

trucks raised beyond the current 80,000 pounds. This would open up the nation's highways to double 48-foot and triple 28-foot trailers. The railroads argue that allowing these behemoths on the highways would reduce their operating revenues by over 40%.

Surprisingly, railroad traffic held its own in 1990, with strong coal shipments—which account for nearly half of total tonnage—offsetting lackluster results in lumber, steel and autos. But if bigger trailers are allowed on the highways, life will almost certainly get tougher for the railroads.

That's one reason the industry continued to redefine itself last year. Santa Fe Pacific completed the spinoff of its real estate and oil and gas units. CSX sold off its gas processing operations, and Union Pacific began liquidating its real estate portfolio. Consolidated Rail and Union Pacific repurchased some of their shares. Such restructurings have enabled companies to focus on transportation and compete with truckers more effectively.

Major railroads also shed more unprofitable lines. Some track was abandoned, while the rest was sold to nonunion short-line railroads. Entrepreneurs who run such lines preserve service to shippers and communities and thereby help rail systems keep business that would otherwise go to trucks.

As for the trucking industry, leading truckers such as Yellow Freight, Consolidated Freightways and Roadway seem to have called a truce in the price wars that plagued the industry in 1989. Meanwhile, yielding to pressure from medium to smaller less-than-truckload carriers, the Regular Common Carrier Conference petitioned the Interstate Commerce Commission to set minimum rate standards. If this were to happen, it would mark a step back from the deregulation of the industry heralded by the 1980 Motor Carrier Act. Consolidated Freightways, Yellow Freight and Roadway are said to have voted against the petition.

In ocean shipping, American President Lines, which operates container ships in the Pacific, is fighting a slowdown in volume resulting from lackluster demand for imports. American President's application to operate between Hawaii and the West Coast of the U.S. was denied by the Federal Maritime Administration, thereby safeguarding Alexander & Baldwin's near stranglehold on the market. The robust Hawaii market allowed Alexander & Baldwin to hold its own. ■

Hitching a ride

In the small-package express delivery business Airborne Freight (estimated 1990 sales, over $1 billion) is one of the little guys. It competes with $7 billion Federal Express. Airborne's international sales are also only a fraction of those of its larger competitor. But Airborne's international strategy is in the air while Federal Express' isn't.

While Federal Express is still trying to digest its acquisition of Tiger International for $880 million in 1989, Airborne is forging alliances with foreign freight firms and contracting with common carriers to ship its international business. Last year Airborne joined forces with Japan's Mitsui & Co. and Tonami Transportation to form Airborne Express Japan. The new company—40% owned by Airborne, 40% by Mitsui and 20% by Tonami—will ship freight and express packages to and from Japan and to the rest of the world.

Rich Frishman

Airborne Freight's Robert Cline

Airborne seems to have negotiated a good deal. It contributed its existing Japanese operations. Mitsui and Tonami bought a $40 million Airborne preferred stock issue, convertible into nearly 9% of common. Mitsui also agreed to extend Airborne $100 million in aircraft financing over the next five years.

"The Japanese market is very nationalistic, and having a local partner is key to having better penetration," explains Airborne Chairman Robert Cline, 53, a 25-year company veteran. "That, in a nutshell, is our philosophy for overseas expansion."

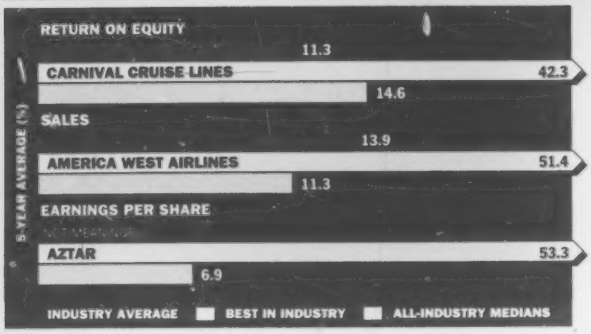
The firm's success in the U.S. is based on its reputation for reliable service to such corporate customers as IBM and Xerox, at rates 10% lower, on average, than Federal Express.

Domestically, Airborne flies its own planes, mostly cheap secondhand passenger jets (FORBES, *Jan. 9, 1989*). This presents a problem: If the price of aviation fuel doesn't come down, its fleet of older, less efficient jets could hurt margins. Airborne's overseas shipments go with other carriers.

Airborne now serves 90% of the world's countries. Still, its international business generates only 20% of its sales. Of the roughly $5 billion international express delivery market, Airborne is estimated to have no more than a 1% share. Cline is banking on the Mitsui deal to boost international operations in the Far East. He's already negotiated a similar arrangement in Thailand and is shopping for partners in Europe. Japan's express market alone is growing at 25% a year. Internationally, this business is expected to double in the next five years.

What about competition from other firmly entrenched outfits such as Brussels-based DHL International and Australia's TNT Ltd.? "It's a tough market," Cline agrees. "But if we keep driving down our costs and providing reliable service, we think we can be very competitive." —R.K.

TRAVEL



The travel industry made an inauspicious start in the Nineties. Good times aren't likely to resume any time soon.

By William Heuslein

IT'S A TEXTBOOK CASE of a triple whammy: rising jet fuel prices, weakening demand for air travel and unstable pricing.

Each time jet fuel rises 1 cent a gallon, the U.S. airline industry loses about $150 million in profits. Fuel prices doubled after July but have since moderated. Fuel is the airlines' single biggest expense after wages and benefits.

The airlines' losses in the last quarter of 1990 are expected to total well over $1 billion. Heavily indebted carriers, such as Pan Am, TWA and Continental, have been shopping routes. Early in December Continental filed for Chapter 11 protection—for the second time in seven years. Beleaguered Donald Trump's privately owned East Coast shuttle is rumored to be on the block, and Pan Am's shuttle is for sale. Eastern has been operating under Chapter 11 since March 1989.

International air routes are the hot properties these days, what with air travel into and out of the U.S. growing at more than four times the rate of domestic travel. Many of the most desirable foreign routes are now being shaken from the hands of the weaker U.S. airlines, such as Pan Am and TWA, which are saddled with older, less efficient aircraft. United has offered $400 million for several choice Pan Am assets, including coveted routes to London's Heathrow airport. American is bidding $445 million for six TWA U.S.-London routes. Both bids await government approval.

Travel	Profitability				Growth				Sales	Net income	Profit margin
	Return on equity		Return on capital		Sales		Earnings per share				
Company	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	5-year average %	latest 12 mos %	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Airlines											
UAL	30.8	14.4	10.1	42.6	7.8	9.8	NM	–43.3	10,601	225	2.1
Delta Air Lines	16.9	3.5	2.9	18.7	13.9	2.9	16.3	–79.8	8,626	118	1.4
AMR	13.6	5.6	4.5	36.2	14.1	10.1	9.9	–60.4	11,303	214	1.9
Alaska Air Group	12.3	8.2	6.5	34.6	22.0	13.9	NM	–37.9	1,013	30	2.9
Southwest Airlines	10.4	10.3	6.8	32.3	11.8	15.8	NM	–20.0	1,141	60	5.2
USAir Group	5.9	def	def	41.7	35.9	2.6	NM	P-D	6,396	–335	def
Midway Airlines	def	def	def	61.7	28.3	32.1	NM	P-D	622	–79	def
America West Airlines	def	def	2.0	86.7	51.4	34.6	NM	P-D	1,248	–18	def
Continental Airlines	def	NE	def	167.7	45.1	–5.2	NM	D-D	6,615	–460	def
Pan Am	def	NE	def	500.0+	NM	11.8	NM	D-D	3,918	–447	def
Medians	8.2	def	2.5	42.2	18.1	11.0	NM	–79.8	5,157	6	0.0
Hotels & gaming											
Carnival Cruise Lines	42.3	23.4	14.5	51.3	31.1	25.6	36.0	–2.5	1,321	208	15.8
Circus Circus	36.1	44.2	14.5	73.5	15.2	9.9	28.3	3.8	565	70	12.4
Caesars World	25.8	13.6	9.6	53.3	8.0	–1.9	33.2	–43.6	880	33	3.8
Hilton Hotels	16.1	12.6	8.3	33.3	8.8	6.3	4.4	–5.7	1,015	112	11.1
Aztar	9.6	26.1	20.5	34.5	–3.3	–12.3	53.3	D-P	483	88	18.2
Bally Manufacturing	6.0	def	1.6	63.6	9.7	4.6	NM	P-D	2,061	–83	def
Promus Cos	NA	NA	NA	75.9	3.4	6.6	NA	NA	992	NA	NA
Medians	20.9	18.5	12.1	53.3	8.8	6.3	30.8	–4.1	992	79	11.7
Industry medians	11.3	6.9	5.5	51.3	13.9	9.8	NM	–52.0	1,248	47	2.0
All-industry medians	14.6	12.1	9.2	32.6	11.3	6.6	6.9	–2.6	1,282	49	4.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NA: Not available. NE: Negative equity. NM: Not meaningful. a: Four-year average. b: Three-year average. For further explanation, see page 95.

Sources: Forbes, Value Line Data Base Service via Lotus CD Investment.

The long, drawn-out takeover saga of United Airlines' parent, UAL Corp., ended last year with no change in ownership and the highly competent Stephen Wolf still at the controls. United subsequently placed a $22 billion order with Boeing—a gutsy move that should leave UAL with one of the U.S.' most modern, efficient fleets. The contest between Wolf's United and Robert Crandall's American for domination of the U.S. airline industry will be worth watching.

Meanwhile, the hotel and casino businesses are plagued by overcapacity. The building spree of the last decade and the soft economy have left occupancy rates stuck at around 65%. Prime Motor Inns, which filed for Chapter 11 in September 1990, was one of the most recent casualties.

Donald Trump and his bondholders worked out a restructuring for Atlantic City's gigantic Taj Mahal. Though Trump retains board control, the bondholders got 50% of the equity. The newest hotel and gaming facilities in Las Vegas—Circus Circus' Excalibur and Golden Nugget's Mirage—are doing well. But competition will continue to intensify to attract the high rollers—whose wallets are thinner these days. ■

American's international flight plan

As its weaker brethren struggle to stay aloft, American Airlines, the principal subsidiary of AMR Corp., is capitalizing on their problems. Despite the current economic climate, American has a five-year, $17 billion capital spending program, over half of which is earmarked for international operations.

Foreign routes now contribute over 20% of the total revenues of the Dallas-Fort Worth-based carrier. By the end of the Nineties, international business is expected to account for one-third of American's total revenues, according to Chairman and Chief Executive Robert Crandall.

Zao Kaluzny/Gamma Liaison

Robert Crandall of American Airlines

On Dec. 3, when Continental Airlines filed for Chapter 11 bankruptcy protection, the besieged carrier agreed to sell its Seattle-Tokyo route to AMR for $150 million. Crandall followed that with a $445 million bid for TWA's U.S.-London routes, plus $70 million for TWA gates and slots in Chicago, Orlando and Nashville.

American is still waiting for approval of its proposed acquisition in late 1989 of TWA's Chicago-London route. Last year it also bought Eastern's extensive Latin American route system for $425 million. With this acquisition, the 55-year-old Crandall applied a lesson learned in 1985, when he failed to pursue Pan Am's Pacific operations. That allowed United to snatch the very profitable routes.

Not all of American's expansion is a result of buying assets from weaker airlines. Following the 1989 aviation treaty with Japan, the Department of Transportation awarded the new San Jose-Tokyo route to American, giving the airline much-needed access to Japan from the West Coast. But the carrier was dealt a big blow when a new Chicago-Tokyo route went instead to rival United.

In the first nine months of 1990 AMR earned $176 million. But a disastrous fourth quarter industrywide is likely to turn 1990 into a loss for AMR. The prospects for a rebound? "The airline industry hasn't recovered in 20 years," says Crandall. "If you look at the industry's profit record, it's never been healthy. At the moment we have a greater crisis than usual. I expect 1991 to be a very unsatisfactory year for the industry."

Crandall emphasizes that financially unstable carriers that price fares below costs are undermining the entire industry. "You're going to see a material restructuring," he warns. As this correction proceeds, American will be there picking over the best assets of the casualties.—W.H.

WHO'S WHERE IN

GROWTH

America's largest corporations show about the same long-term earnings growth as they did last year, but over the last 12 months earnings fell 2%.

By Robert C. Balancia

THE STEADY EARNINGS GROWTH that characterized most of the 1980s finally came to a halt last year. Latest 12-month profits per share are down 2% for the median company in this survey. The Institutional Brokers Estimate System, a service of New York brokerage firm Lynch, Jones & Ryan, projects that 1990 earnings for the S&P 500 will be up only 2% from 1989.

Sales growth figures reflect the economic slowdown. Over the past five years the median company in our survey had an 11% average annual sales increase. But during the most recent 12-month period sales grew at less than 7%.

Retailers are noticeably absent from the top of the list this year, reflecting the weakening economy. Last year our survey listed four retailers among the top ten companies in earnings-per-share growth (the table in our previous issue was ranked on ten-year rather than five-year rates). This year Costco Wholesale, in sixth place, is the only retailer to make the top ten. Two other retailers previously in the top ten—Limited and Circuit City Stores—dropped down over 100 notches in ranking.

New to our survey are two computer firms—Intelligent Electronics and Silicon Graphics—both ranked within the top ten growth companies. Note that all but one of the top ten companies have only a three-year rather than a five-year earnings growth rate. Few companies can sustain abnormally high growth rates over an extended period.

What's this year's outlook? Despite recession fears, Wall Street actually expects earnings to be higher. The Institutional Brokers Estimate System forecast for the S&P 500 is for a surprising 14% increase in profits in 1991. But keep two things in mind. First: 1990 wasn't a great year, so the estimates are being compared with a relatively weak base. Second: Analysts are often more optimistic at the start of a year than at the end. In other words, stay tuned. ■

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
Cyprus Minerals	1	147.8b	–54.6	179	22.8	3.4
BF Goodrich	2	142.0b	–19.4	1028	–7.6	–1.3
Intelligent Electron	3	122.2b	115.6	NR	NM	189.7
Valmont Industries	4	102.0b	–6.2	129	27.1	11.9
Inland Steel Inds	5	101.5b	–85.9	762	6.2	–7.4
Costco Wholesale	6	97.2b	44.3	22	67.5	37.8
Silicon Graphics	7	94.6b	104.4	8	88.0	46.8
Conseco	8	92.5	–40.5	NR	NM	20.0
Sotheby's Holdings	9	88.9b	53.4	96	31.2	19.7
MagneTek	10	85.9b	43.1	45	47.3	11.4
Delta Woodside Inds	11	85.5a	–84.3	34	56.8	–9.6
Fairchild	12	82.4	–15.1	77	36.2	33.6
Federal Natl Mortgage	13	81.4b	45.8	857	3.8	11.1
Everex Systems	14	81.3a	13.2	3	110.4a	15.7
Compaq Computer	15	79.6	11.1	35	56.8	22.9
Danaher	15	79.6	37.3	43	48.2	3.8
First Capital Holding	17	76.9	–47.2	NR	NM	13.7
Georgia Gulf	18	74.6a	–45.6	354	14.7	–17.3
American Cap & Res	19	73.8	12.5	15	76.7	29.3
3Com	20	71.0	–13.4	16	75.4	11.0

	—Earnings per share—			—Sales—		
Company	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %
Reynolds Metals	21	70.6b	–26.3	456	12.5	–1.4
Sun Microsystems	22	67.2	145.6	6	102.8	36.0
Alcoa	23	66.2b	–38.8	563	10.5	–1.5
Jacobs Engineering	24	66.1a	34.7	70	39.4	11.1
Alcan Aluminium	25	64.8b	–48.8	522	11.3	–4.1
Terex	26	64.2	9.3	1	150.3	84.9
Lafarge	27	63.7a	–38.2	546	10.9	11.6
Mark IV Industries	28	62.5	175.5	17	74.2	–10.2
Novell	29	61.9	81.3	9	87.7	18.1
Alberto-Culver	30	61.1	15.6	310	16.2	10.9
Quantum Chemical	31	61.0	–91.3	605	9.6	–11.7
Primerica	32	60.2b	–6.0	171	23.8	40.1
WTD Industries	33	59.8	P-D	23	64.4	–8.6
Drug Emporium	34	59.8b	–8.7	62	42.7	22.3
Lukens	35	59.5b	29.8	365	10.5	5.6
International Paper	36	59.0	–11.7	188	22.1	16.0
Crystal Brands	37	58.2a	–20.3	619	9.4	10.4
Birmingham Steel	38	57.7b	–59.6	56	44.3b	–1.1
Stone Container	39	57.3	–54.4	75	37.2	18.5
Pope & Talbot	40	56.9a	–21.7	337	15.3	–5.2

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

Company	—Earnings per share— rank	5-year average %	latest 12 mos %	—Sales— rank	5-year average %	latest 12 mos %
Microsoft	41	56.7	60.9	36	55.4	52.8
Reader's Digest Assn	42	55.8	20.2	660	8.5	12.8
Apple Computer	43	55.0	6.8	116	28.7	5.2
Medco Containment	44	54.1a	–44.1	12	82.6	34.8
Home Depot	45	53.9	45.4	57	44.0	37.0
CBI Industries	46	53.4b	133.7	614	9.4	6.3
Aztar	47	53.3	D-P	982	–3.3	–12.3
Stride Rite	48	53.2	28.3	579	10.1	11.5
NL Industries	49	52.5	–43.5	278	17.5	–7.8
Wellman	50	52.0b	20.6	90	32.6b	123.1
Smithfield Foods	51	51.5	197.1	647	8.7	24.9
General Re	52	51.2	4.3	654	8.6	8.1
JWP	53	51.2	25.1	11	83.2	74.2
Federal Paper Board	54	51.2	–27.6	360	14.5	7.3
Harley-Davidson	55	50.1	39.6	121	28.2	11.3
Computer Associates	56	49.4	8.3	53	45.0	5.8
Georgia-Pacific	57	49.2	–22.4	586	9.9	17.0
Applied Power	58	49.0	–2.0	224	19.7	80.9
Texas Instruments	59	48.8b	–94.1	840	4.4	0.7
Imperial Holly	60	48.8	–33.0	156	25.3	4.6
Harman International	61	48.5	–27.1	106	29.7	7.6
American Home Prods	62	48.3	13.8	779	5.8	2.4
Hanover Insurance	63	47.7	–50.4	244	18.6	6.7
Amdahl	64	47.5	-6.9	164	24.3	5.9
Atlantic Richfield	65	47.5b	–17.5	1024	–7.4	3.0
Louisiana-Pacific	66	47.3	–12.3	322	15.8	–0.9
NIKE	67	47.2	42.3	541	10.9	36.8
First Financial Mgmt	68	46.9	19.1	7	94.9	73.6
Caterpillar	69	46.8a	–44.7	466	12.3	3.8
Valhi	70	46.6	–43.8	39	52.4	–19.3
Gap	71	44.8	27.8	163	24.4	26.6
20th Century Inds	72	44.8	–2.8	122	28.1	11.9
TBC	73	44.4	12.5	799	5.4	4.4
GenCorp	74	43.7	–88.5	1041	–10.2	–7.0
Albany International	75	43.1	–53.4	378	14.2	8.6
Merisel	76	42.6b	–63.6	94	31.7	76.0
Dow Chemical	77	42.2	–42.6	569	10.4	7.1
Walt Disney	78	41.8	17.6	197	21.6	27.2
Zenith National Ins	79	41.4	–29.9	145	26.0	6.5
Michigan National	80	41.2	–60.3	667	8.3	–30.7
Paramount Commun	81	41.1	266.6	NR	NM	–6.4
Waxman Inds	82	40.4	–25.0	78	36.1	44.0
Seaway Food Town	83	40.0	–23.4	918	1.9	6.6
GlenFed	84	39.8	5.2	428	13.2	–4.9
WR Berkley	85	39.7a	–22.2	111	29.1	2.3
Boise Cascade	86	39.4	–56.7	897	2.7	–1.6
Eastern Enterprises	87	39.4b	9.5	1050	–12.9	18.3
Polaroid	88	39.3	72.4	606	9.5	0.7
Castle & Cooke	89	39.0a	40.9	559	10.6	16.2
Texaco	90	38.8	–49.9	1029	–7.6	5.0
GATX	91	38.4b	3.1	992	–4.2	27.0
Hartford Steam Boiler	92	38.2	1.6	442	12.8	15.2
Northern Trust	93	38.2	–10.0	570	10.4	7.3
St Paul Cos	94	38.2a	22.8	580	10.0	2.7
Inacomp Computer	95	37.4	9.2	76	36.2	42.3
FMC	96	37.1	0.0	NR	NM	2.6
Spiegel	97	37.1	10.8	258	18.1	19.4
Chubb	98	36.2	16.7	331	15.6	1.3
Carnival Cruise Lines	99	36.0	–2.5	98	31.1	25.6
Kemper	100	35.8	–94.6	455	12.5	6.5
General Motors EDS	101	35.8	16.4	93	32.3	9.7
Tyson Foods	102	35.6	16.8	157	25.2	50.7
Progressive	103	35.4	–14.5	74	38.2	–0.3
Baxter International	104	35.4	P-D	84	34.6	8.6
Longview Fibre	105	35.3	–19.1	624	9.2	–1.8
DSC Communications	106	35.0b	52.0	770	5.9	24.2
First Chicago	107	34.9	–19.1	852	4.0	6.1
General Cinema	108	34.7	–93.5	218	19.9	5.0
Aetna Life & Cas	109	34.5	–14.1	811	5.1b	4.4
Champion Intl	110	34.2a	–37.3	NR	NM	–2.0
Arden Group	111	34.2	7.3	996	–4.9	–2.6
Potlatch	112	34.2	0.7	844	4.3	6.7
American Intl Group	113	34.0	4.3	124	27.9	9.7
Morgan Stanley	114	33.7a	–10.9	88	33.4	10.9
Ryland Group	115	33.6	–5.1	143	26.1	2.1
Marsh & McLennan Cos	116	33.6	3.5	276	17.5	11.2
CalMat	117	33.4	92.7	345	15.0	–27.7
Holly Corp	118	33.4	–27.7	NR	NM	15.2
Colgate-Palmolive	119	33.4	–10.7	NR	NM	10.7
Ferro	120	33.4	–32.8	480	12.0	3.6
Wal-Mart Stores	121	33.3	27.6	91	32.5	25.0
Caesars World	122	33.2	–43.6	683	8.0	–1.9
Circuit City Stores	123	33.0	13.5	89	32.9	20.7
Lennar	124	33.0	–32.1	195	21.7	–8.1
Norwest	125	31.8	8.7	NR	NM	19.7
National Health Labs	126	31.5	31.7	166	24.2	29.3
FHP International	127	31.2	6.9	66	41.2	40.6
CRSS	128	30.9	–10.7	353	14.7	–18.5
Great Lakes Chemical	129	30.9	13.5	160	25.0	41.7
Lands' End	130	30.7a	–42.3	144	26.0	8.2
Ohio Casualty	131	30.6	–39.7	618	9.4	4.4
Interface	132	30.6	12.0	61	43.4	4.9
Food Lion	133	30.5	27.5	139	26.3	19.7
Illinois Tool Works	134	30.5	11.9	82	35.3	15.4
Merck	135	29.5	20.2	355	14.7	16.0
Precision Castparts	136	29.4	0.0	127	27.3	10.8
PepsiCo	137	29.4	12.8	333	15.6	17.2
Digital Equipment	138	29.0	P-D	246	18.6	–0.2
Willamette Inds	139	28.4	–5.8	526	11.2	3.2
Circus Circus	140	28.3	3.8	342	15.2	9.9
Newell Co	141	28.1	29.8	87	33.7	–1.7
Butler Manufacturing	142	28.1	–48.1	724	7.0	–7.1
AAR Corp	143	28.1	–1.2	268	17.7	6.4
Liz Claiborne	144	28.0	27.5	112	29.1	23.5
Student Loan	145	27.9	16.3	194	21.7	13.5
Chiquita Brands Intl	146	27.9	6.7	863	3.6	12.6
Alexander & Baldwin	147	27.7	–48.0	686	7.9	13.6
Becton Dickinson	148	27.7	–13.5	520	11.4	11.1
Price Co	149	27.7	7.4	92	32.4	7.9
Wells Fargo	150	27.6	27.7	505	11.5	4.7
Kaufman & Broad Home	151	27.6a	–7.3	73	38.3	51.6
Archer Daniels	152	27.6	4.2	553	10.7	2.2
Helene Curtis Inds	153	27.3	–50.3	306	16.4	10.6
Waste Management	154	27.3	20.9	118	28.5	27.8
CNA Financial	155	27.2	–49.7	226	19.7	7.5
Ingersoll-Rand	156	26.9	6.6	771	5.9	8.7
Olsten	157	26.8	–16.1	180	22.7	4.6
Reebok International	158	26.8	16.3	38	52.6	15.4
Limited	159	26.5	20.1	154	25.4	15.2
Blount	160	26.3	–81.8	NR	NM	–25.0
Philip Morris Cos	161	26.0	45.1	105	29.7	16.4
Great A&P Tea	162	25.9	8.4	377	14.2	3.3
Starhome	163	25.9	14.9	476	12.0	22.3
General Mills	164	25.7	27.4	741	6.6	15.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

WHO'S WHERE IN GROWTH

Company	Earnings per share rank	Earnings per share 5-year average %	Earnings per share latest 12 mos %	Sales rank	Sales 5-year average %	Sales latest 12 mos %
Adia Services	165	25.7	–15.3	113	29.0	13.2
Commercial Metals	166	25.6	–7.7	NR	NM	–13.2
Air Express Intl	167	25.4b	52.1	389	13.9	7.7
Washington Post	168	25.4	4.5	677	8.0	1.2
ITT	169	25.3	43.5	NR	NM	0.4
Chesapeake	170	25.3	–52.0	271	17.6	8.2
Toys 'R' Us	171	25.2	19.1	169	21.0	21.6
NCH	172	25.2	13.7	464	12.3	10.3
Whitman	173	25.1	P-D	344	15.0	–28.4
Wm Wrigley Jr	174	25.1	7.9	511	11.5	12.2
Corning	175	25.0	17.9	706	7.4	17.2
A Schulman	176	24.9	17.0	287	17.0	8.7
MNC Financial	177	24.4	P-D	308	16.3	33.8
Scott Paper	178	24.4	–24.4	419	13.3	3.0
Springs Industries	179	24.3	–97.4	298	16.6	–1.4
CDI	180	24.3	–32.4	238	18.9	9.0
Mercury General	181	24.2	220.5	64	42.1	4.9
Alexander's	182	24.2	P-D	956	–1.5	–0.6
Monsanto	183	24.1b	–0.7	767	6.0	2.9
Nordstrom	184	23.8	–22.5	192	21.8	10.5
Alco Standard	185	23.8	–35.0	909	2.3	4.4
Toro	186	23.8	–26.2	229	19.3	16.7
Ethyl	187	23.7	9.1	521	11.3	4.9
Sigma-Aldrich	188	23.7	12.7	217	19.9	23.1
Freeport-McMoRan	189	23.6	122.9	208	20.6	–18.2
Figgie Intl	190	23.6	–7.1	432	13.1	0.2
Syntex	191	23.6	16.1	641	8.8	14.0
Capital Cities/ABC	192	23.4	15.6	52	45.0	12.2
Universal Foods	193	23.4	21.9	579	14.2	0.2
Temple-Inland	194	23.4	8.6	386	14.0	9.3
Pilgrim's Pride	195	23.3	–17.2	269	17.6	10.4
Mead	196	23.3	–29.3	420	13.3	3.0
Thermo Electron	197	23.2	22.5	212	20.6	14.2
Loews	198	23.1	–8.9	293	16.8	8.5
Olin	199	22.9b	–6.7	791	5.7	0.8
Bemis	200	22.8	13.5	692	7.7	1.5
Tyco Laboratories	201	22.8	25.4	131	27.1	13.7
CPC International	202	22.7	13.9	873	3.4	11.6
Kelly Services	203	22.7	3.9	427	13.2	8.3
CBS	204	22.7	16.2	1047	–12.1	11.8
Safeco	205	22.5	–11.2	687	7.9	13.4
Vishay Intertech	206	22.4	22.3	37	54.1	6.9
Centel	207	22.3	19.4	986	–3.5	23.0
Browning-Ferris Inds	208	22.2	P-D	204	21.0	16.3
Kennametal	209	22.2	6.1	694	7.6	22.0
Tandem Computers	210	22.2	–3.4	142	26.2	14.3
Coca-Cola	211	22.1	59.5	540	11.0	13.6
TJX Cos	212	22.0	–8.8	249	18.4	10.3
General Public Utils	213	22.0	8.3	948	0.7	3.4
Crane	214	22.0	43.8	338	15.3	0.0
Smith's Food & Drug	215	21.9	16.2	178	23.0	19.9
Hannaford Bros	216	21.8	11.8	305	16.4	12.9
Paccar	217	21.7	–16.2	440	12.9	–17.9
Johnson & Johnson	218	21.6	4.5	567	10.4	16.0
Union Camp	219	21.6	–24.2	657	8.5	1.1
Avery Dennison	220	21.6a	NA	486	11.9a	NA
Cooper Tire	221	21.5	19.7	572	10.3	4.4
Westinghouse	222	21.3	14.3	867	3.5	0.2
ConAgra	223	21.3	12.1	137	26.5	27.0
Raytheon	224	21.1	6.9	679	8.0	3.4
Wyle Laboratories	225	20.9b	98.4	730	6.9	8.7
Firstar	226	20.9	12.8	622	9.3	7.2
Medtronic	227	20.9	11.4	375	14.3	19.9
Pulitzer Publishing	228	20.9	20.6	525	11.2	2.3
Marion Merrell Dow	229	20.7	88.8	104	30.2	103.8
Federal Signal	230	20.7	33.5	578	10.1	7.4
Albertson's	231	20.7	17.4	602	9.6	9.1
Loctite	232	20.6	12.3	316	15.9	14.8
Sonoco Products	233	20.5	–53.4	232	19.2	–0.6
Getty Petroleum	234	20.5a	–51.4	99	31.0	8.4
JC Penney	235	20.4	–11.7	868	3.5	4.4
Ralston Purina	236	20.2	0.3	837	4.4	6.7
Willcox & Gibbs	237	20.1	–23.5	207	20.8	9.1
Schering-Plough	238	20.1	19.6	471	12.2	5.7
Motorola	239	20.1	5.8	452	12.6	15.5
Masco Industries	240	20.1	P-Z	100	30.9	–7.4
Giant Food	241	20.1	8.0	631	9.0	6.9
First Security	242	19.9	9.1	NR	NM	13.2
Gitano Group	243	19.6	12.0	128	27.2	42.9
Manville	244	19.5b	27.3	856	3.8	3.7
Automatic Data	245	19.5	13.9	396	13.8	2.4
Capital Holding	246	19.5	–30.3	341	15.3	3.9
New York Times	247	19.4	–89.5	710	7.4	4.9
Cardinal Distribution	248	19.3	6.6	227	19.6	24.3
Carter-Wallace	249	19.3	6.9	609	9.5	11.4
McCormick & Co	250	19.3	–48.7	589	9.9	4.2
Hillenbrand Inds	251	19.2	6.7	219	19.9	18.3
Casey's General Store	252	18.9	37.7	444	12.7	13.8
Bandag	253	18.8	5.7	504	11.5	10.1
Fay's	254	18.8	–8.9	661	8.5	14.5
Weyerhaeuser	255	18.7	–68.7	549	10.8	–10.3
Apogee Enterprises	256	18.7	14.4	202	21.1	16.3
Brown-Forman	257	18.7	–42.2	860	3.7	5.3
Abbott Laboratories	258	18.6	15.7	469	12.3	12.9
UST Inc	259	18.5	17.0	649	8.6	12.3
American Tel & Tel	260	18.5	D-P	935	1.2	1.1
Russell	261	18.5	13.4	416	13.4	13.8
Union Bank	262	18.5	5.3	203	21.1	6.6
Rubbermaid	263	18.4	17.2	223	19.7	4.3
FHM	264	18.3	–45.1	NR	NM	–11.1
Dillard Dept Stores	265	18.2	27.6	247	18.5	22.9
Dow Jones	266	18.2	–61.3	437	12.9	3.3
Geo A Hormel	267	18.2	10.4	507	11.5	14.6
Jostens	268	18.1	8.6	714	7.3	10.5
Safety-Kleen	269	18.1	9.6	193	21.8	20.5
Lotus Development	270	18.1	73.5	115	28.8	25.0
CR Bard	271	18.0	–40.2	363	14.5	–0.2
Ecolab	272	18.0	–56.7	175	23.4	7.4
Cooper Industries	273	18.0	11.0	274	17.6	23.2
Bearings	274	18.0	–49.6	788	5.7	8.9
Woolworth	275	17.9	15.6	613	9.4	11.1
Computer Sciences	276	17.9	18.8	330	15.6	13.7
Bancorp Hawaii	277	17.9	15.5	509	11.5	24.6
Gillette	278	17.9	10.6	496	11.7	11.3
Vulcan Materials	279	17.9	–7.5	920	1.9	0.6
Western Publishing	280	17.8	–13.8	350	14.8	–0.5
Marsh Supermarkets	281	17.8	20.8	684	8.0	13.0
Edison Bros Stores	282	17.7	31.4	780	5.8	16.2
UGI	283	17.7b	–29.2	1048	–12.6	9.3
Anheuser-Busch Cos	284	17.7	9.0	681	8.0	10.8
Lincoln Electric	285	17.7	–13.7	376	14.3	12.7
Valspar	286	17.6	18.3	286	17.0	13.6
Fieldcrest Cannon	287	17.5	P-D	186	22.4	–5.3
Tribune	288	17.5	–15.4	749	6.5	3.5

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

Company	—Earnings per share— rank	5-year average %	latest 12 mos %	—Sales— rank	5-year average %	latest 12 mos %
Cray Research	289	17.5	13.6	132	27.0	12.0
Ingles Markets	290	17.5	–16.3	390	13.9	16.4
Kimberly-Clark	291	17.4	6.1	591	9.8	9.9
Lancaster Colony	292	17.3	–28.3	900	2.6	1.4
Schultz Sav-O Stores	293	17.3	–21.3	836	4.5	4.6
Torchmark	294	17.1	19.3	711	7.4	5.3
JB Hunt Transport	295	17.1	3.8	67	40.4	15.3
Handleman	296	17.1	–21.4	358	14.6	10.4
Crown Cork & Seal	297	17.0	4.8	727	6.9	43.3
Marshall Industries	298	17.0	7.9	295	16.7	6.3
Kellogg	299	16.9	–2.1	443	12.8	5.4
Constar Intl	300	16.8	–35.8	NR	NM	–8.6
Shaw Industries	301	16.7	19.9	198	21.5	28.2
Armstrong World Inds	302	16.7	16.0	478	12.0	–2.1
Cincinnati Bell	303	16.6	0.0	323	15.8	10.2
AMP	304	16.6	–1.8	506	11.5	4.7
PPG Industries	305	16.5	5.0	723	7.0	3.6
Nacco Industries	306	16.5	14.7	403	13.7	45.2
Sara Lee	307	16.5	8.6	568	10.4	1.8
Bruno's	308	16.4	24.2	150	25.6	11.5
Skyline	309	16.4	–38.7	NR	NM	–2.0
Sysco	310	16.4	20.8	184	22.5	7.9
Bausch & Lomb	311	16.4	15.7	260	18.0	12.9
Interpublic Group	312	16.3	12.4	318	15.9	3.9
Merry-Go-Round	313	16.3	83.6	168	24.1	47.6
Premier Industrial	314	16.3	10.4	644	8.8	4.1
Worthington Inds	315	16.3	–12.3	543	10.9	–7.2
Delta Air Lines	316	16.3	–79.8	394	13.9	2.9
Intl Flavors & Frags	317	16.2	9.9	362	14.5	8.1
Ford Motor	318	16.2	–62.8	441	12.8	1.8
Kellwood	319	16.1	–87.0	789	5.7	–4.1
PacifiCare Health	320	16.1	54.2	24	64.2	50.1
Argonaut Group	321	15.9	7.7	976	–2.9	14.3
Super Food Services	322	15.8	8.6	807	5.2	5.0
Melville	323	15.8	6.7	502	11.6	10.7
Commtron	324	15.8	15.4	240	18.9	0.7
El du Pont de Nemours	325	15.7	–2.7	871	3.4	7.1
Berkshire Hathaway	326	15.5	–17.0	107	29.7	–8.2
Dixie Yarns	327	15.5	–47.5	199	21.4	–5.3
Savannah Foods	328	15.5	22.7	395	13.9	12.6
PH Glatfelter	329	15.3	–9.2	257	18.1	1.7
DPL	330	15.3	5.1	954	–0.9	1.1
Selective Insurance	331	15.3b	–14.3	391	13.9	2.9
State Street Boston	332	15.2	12.0	264	17.8	21.9
HF Ahmanson	333	15.2	27.4	680	8.0	12.0
Bergen Brunswig	334	15.2	–1.5	302	16.5	13.2
Morrison	335	15.2	–30.0	461	12.4	8.1
Orion Pictures	336	15.2b	–50.6	201	21.2	–2.4
Snap-on Tools	337	15.1	–3.0	524	11.2	5.1
McDonald's	338	15.1	13.5	433	13.1	9.8
Lockheed	339	15.0	–44.1	849	4.1	1.8
American Cyanamid	340	14.9	2.6	775	5.9	–4.1
Westvaco	341	14.9	–15.9	777	5.8	5.5
Cincinnati Financial	342	14.9	5.8	356	14.6	6.9
Central Steel & Wire	343	14.8	–30.2	872	3.4	–10.6
HON Industries	344	14.7	–29.6	701	7.5	13.2
American Brands	345	14.7	26.1	503	11.6	13.3
H&R Block	346	14.7	19.9	270	17.6	15.5
Minn Mining & Mfg	347	14.6	6.9	603	9.6	9.3
Consolidated Papers	348	14.6	–2.4	717	7.2	2.7
HJ Heinz	349	14.5	13.9	671	8.2	5.4
Seagram	350	14.4	10.5	241	18.9	8.4
JM Smucker	351	14.4	6.1	531	11.1	10.8
Knight-Ridder	352	14.4	–24.7	750	6.4	4.0
Commerce Bcshs	353	14.4	1.5	916	2.1	7.4
AM Castle & Co	354	14.4	–38.1	527	11.2	–7.3
NBD Bancorp	355	14.3	5.1	422	13.2	7.4
Hershey Foods	356	14.3	37.0	827	4.7	9.2
Univar	357	14.2	11.4	161	24.8	2.3
Seaboard	358	14.1	–3.5	312	16.0	0.8
Warner-Lambert	359	14.1b	19.8	758	6.3	8.1
Leslie Fay Cos	360	14.1a	2.0	470	12.2	6.4
Columbia Gas System	361	14.0b	–8.6	1027	–7.6	4.3
Outboard Marine	362	14.0	P-D	413	13.4	–21.8
NCNB	363	14.0	12.3	155	25.3	25.0
PSI Resources	364	13.9	14.1	893	2.8	–3.1
WW Grainger	365	13.7	10.9	548	10.8	13.9
Millipore	366	13.7	3.2	317	15.9	4.1
Gerber Products	367	13.7	12.0	854	3.9	6.0
Bear Stearns Cos	368	13.7a	–31.2	162	24.6	–4.0
Pall	369	13.6	13.9	332	15.6	13.6
Comerica	370	13.5	62.8	886	3.1	6.5
Transamerica	371	13.5	–0.8	550	10.8	–2.7
Eli Lilly	372	13.4	21.6	760	6.2	20.2
Dart Group	373	13.4	–41.8	20	68.3	18.3
Lubrizol	374	13.4	20.6	700	7.5	11.2
Bob Evans Farms	375	13.4	–8.5	283	17.1	9.9
Loral	376	13.4	–5.1	183	22.6	21.9
Xerox	377	13.3	–62.4	596	9.7	3.3
Air Prods & Chems	378	13.3	2.7	628	9.0	9.6
Equifax	379	13.3	0.6	576	10.2	9.9
NCR	380	13.1	9.0	629	9.0	3.4
Affiliated Pubs	381	13.0	–28.1	475	12.1	3.1
May Dept Stores	382	13.0	15.7	892	2.9	–3.8
Genuine Parts	383	13.0	5.2	719	7.2	5.7
Manufacturers Natl	384	12.9	1.0	465	12.3	3.8
Bowater	385	12.9	–36.3	462	12.4	–3.8
Molex	386	12.8	14.2	215	20.2	7.8
Durr-Fillauer	387	12.8	1.2	373	14.3	17.3
Geico	388	12.7	36.6	371	14.3	1.7
Rockwell Intl	389	12.7	–10.8	826	4.7	–1.1
Hubbell	390	12.7	9.7	732	6.9	10.6
Block Drug	391	12.7	11.3	450	12.6	11.4
Banc One	392	12.7	12.8	343	15.1	9.0
Blair	393	12.7	22.2	696	7.6	10.1
RPM	394	12.6	11.6	230	19.3	21.3
SunTrust Banks	395	12.6	6.6	685	7.9	4.8
Alltel	396	12.6	11.6	369	14.3	32.6
Wallace Computer Svs	397	12.5	5.7	483	11.9	4.6
C&S/Sovran	398	12.4	–29.4	467	12.3	6.5
Household Intl	399	12.4	–10.5	1056	–14.2	27.8
HomeFed	400	12.3	P-D	406	13.5	4.3
Puget Sound P&L	401	12.3	–12.6	796	5.4	4.2
Dover	402	12.3	11.9	561	10.5	4.9
Deluxe	403	12.3	12.6	366	14.4	7.1
Gannett	404	12.3	–0.4	438	12.9	1.5
Rhône-Poulenc Rorer	405	12.3	P-D	167	24.1	100.9
Quaker Oats	406	12.2	–30.5	457	12.5	–6.6
Longs Drug Stores	407	12.1	4.1	632	9.0	9.8
Pep Boys	408	12.0	4.4	254	18.2	20.7
National City	409	12.0	1.6	414	13.4	6.3
Union Electric	410	12.0	28.9	695	7.6	3.7
Phillips-Van Heusen	411	12.0	–5.2	839	4.4	8.8
American Family	412	11.9	33.7	133	27.0	6.1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

WHO'S WHERE IN GROWTH

Company	Earnings per share rank	Earnings per share 5-year average %	Earnings per share latest 12 mos %	Sales rank	Sales 5-year average %	Sales latest 12 mos %
Walgreen	413	11.8	13.2	351	14.8	12.4
Sherwin-Williams	414	11.7	11.6	NR	NM	6.4
Equitable of Iowa	415	11.7	2.9	611	9.5	13.3
US Bancorp	416	11.5	19.3	261	18.0	17.3
Fleet/Norstar Finl	417	11.4	–76.4	284	17.1	13.8
Society	418	11.3	–0.2	497	11.7	43.?
Martin Marietta	419	11.3a	38.7	665	8.4	8.5
General Electric	420	11.3	13.4	445	12.7	6.4
SPX	421	11.2	–77.3	729	6.9	–1.9
South Carolina Natl	422	11.2	–4.8	370	14.3	7.1
Donaldson	423	11.2	34.0	590	9.9	6.4
MCA	424	11.2	0.0	361	14.5	14.5
Rite Aid	425	11.2	6.8	235	19.0	8.9
RR Donnelley & Sons	426	11.1	3.2	501	11.6	5.6
Barnett Banks	427	11.0	–34.8	277	17.5	10.0
Marriott	428	11.0	–52.4	272	17.6	3.2
Marshall & Ilsley	429	11.0	–3.0	436	13.0	8.3
Dayton Hudson	430	10.8	28.8	514	11.4	8.3
Federal Express	431	10.8	–15.1	126	27.6	27.0
American Express	432	10.8	–75.3	228	19.5	–2.5
Alexander & Alexander	433	10.8b	–19.6	598	9.7	6.0
SCI Systems	434	10.8	118.2	303	16.4	12.3
GM Hughes Electronics	435	10.7	–6.3	798	5.4	1.7
Leggett & Platt	436	10.7	0.4	248	18.4	11.8
Tambrands	437	10.7	–68.0	634	8.9	5.2
Weis Markets	438	10.6	0.5	808	5.2	2.0
Nalco Chemical	439	10.6	13.1	539	11.0	11.5
Textron	440	10.6	4.3	173	23.6	6.5
Charming Shoppes	441	10.5	–15.3	187	22.3	10.7
United Stationers	442	10.5	–48.1	292	16.9	2.5
Quantum	443	10.4	66.5	123	27.9	78.1
Liberty Corp	444	10.4	154.0	599	9.7	3.6
Hewlett-Packard	445	10.3	–13.1	359	14.6	11.2
Raychem	446	10.2	P-D	426	13.2	6.9
UJB Financial	447	10.2	–72.0	365	14.4	12.7
Moore Corp	448	10.2	–25.7	753	6.4	6.0
Standard Products	449	10.1	–63.9	535	11.0	9.8
Zurn Industries	450	10.1	5.1	552	10.7	17.9
Collins Foods Intl	451	10.1	0.0	755	6.3	8.8
Leucadia National	452	10.1	272.1	103	30.4	–8.3
Midlantic	453	10.1	P-D	398	13.8	15.5
Mercantile Stores	454	10.0	–2.7	757	6.3	2.2
Mobil	455	9.9	–7.7	971	–2.4	20.1
Masco	456	9.9	–32.8	138	26.5	8.2
SouthTrust	457	9.9	–4.6	320	15.9	14.4
Pentair	458	9.9	–24.8	304	16.4	6.1
Rollins	459	9.8	16.3	652	8.6	7.7
Kentucky Central Life	460	9.8a	–37.8	307	16.3a	11.8
Ameron	461	9.8	4.0	635	8.9	7.3
Coca-Cola Enterprises	462	9.8	–24.1	72	38.3	3.8
Nucor	463	9.7	–30.4	415	13.4	16.5
Ameritrust	464	9.7	–95.4	425	13.2	8.0
AG Edwards	465	9.7	6.1	477	12.0	14.3
Piedmont Natural Gas	466	9.5	0.8	933	1.4	–5.0
Clorox	467	9.5	17.4	746	6.5	9.1
United Technologies	468	9.5	18.7	835	4.5	7.5
Cincinnati G&E	469	9.5	4.8	NR	NM	4.7
Kimball International	470	9.4	14.2	418	13.3	–1.6
Tandy	471	9.4	–4.7	621	9.3	8.8
Mapco	472	9.4	38.0	NR	NM	26.2
Betz Laboratories	473	9.4	16.0	517	11.4	13.8
Wetterau	474	9.3	12.1	515	11.4	6.4
Security Pacific	475	9.3	–5.9	347	14.9	7.3
Pitney Bowes	476	9.3	–44.9	510	11.5	11.8
Curtice Burns Foods	477	9.1	–61.5	819	5.0	9.8
Consol Freightways	478	9.1	P-D	326	15.7	17.9
Teledyne	479	9.0a	–38.1	945	0.8	–4.9
Stanley Works	480	9.0	0.8	435	13.0	2.1
Centex	481	8.9	13.9	555	10.7	15.9
AMR	482	8.9	–60.4	381	14.1	10.1
Dean Foods	483	8.9	3.5	424	13.2	20.2
Emerson Electric	484	8.9	4.6	490	11.9	7.1
Interlake	485	8.8	P-D	922	1.9	–12.2
National Service	486	8.7	5.2	726	7.0	7.0
Super Valu Stores	487	8.7	8.6	566	10.5	5.7
Village Super Market	488	8.6	–7.9	329	15.6	3.5
Flowers Industries	489	8.6	24.7	790	5.7	3.2
So N England Telecom	490	8.6	–25.2	781	5.8	–2.1
Universal	491	8.5	–18.5	135	26.9	–1.0
Banta	492	8.5	–50.0	367	14.4	3.7
Ruddick	493	8.4	15.0	536	11.0	9.3
Rohm & Haas	494	8.4	–3.4	768	5.9	5.2
Burlington Coat	495	8.4	7.1	275	17.5	20.4
E-Systems	496	8.3	3.1	352	14.8	11.9
Lance	497	8.3	16.4	821	4.9	2.0
Coastal Corp	498	8.3	2.4	794	5.4	5.8
Salem Carpet Mills	499	8.3	–53.1	518	11.4	10.0
First Wachovia	500	8.2	10.3	720	7.1	5.7
Grey Advertising	501	8.2	–0.9	315	16.0	9.7
Thomas & Betts	502	8.2	–14.1	434	13.0	10.8
Gibson Greetings	503	8.1	1.6	653	8.6	15.8
BayBanks	504	8.1	P-D	364	14.5	–0.3
Hechinger	505	8.0	–6.1	148	25.8	19.7
Golden West Finl	506	7.8	17.2	626	9.1	14.3
Rykoff-Sexton	507	7.8	–44.4	327	15.7	7.2
Dibrell Brothers	508	7.7	–23.4	372	14.3	11.2
Huntington Bcshs	509	7.7	–24.1	449	12.6	15.1
Kentucky Utilities	510	7.6	20.6	950	0.4	6.0
Dominion Bankshares	511	7.4	–84.4	237	19.0	8.2
HB Fuller	512	7.4	27.8	488	11.9	4.6
St Joe Paper	513	7.4a	NA	668	8.3a	NA
Talley Industries	514	7.2	–68.1	812	5.1	2.6
Strawbridge	515	7.1	5.4	638	8.9	6.7
Campbell Soup	516	7.1	5.0	666	8.4	7.1
Dexter	517	7.0	–2.9	705	7.5	4.8
Pennsylvania P&L	518	7.0	16.6	728	6.9	8.3
Central Newspapers	519	6.9	–0.8	818	5.0	2.2
Pfizer	520	6.9	0.2	650	8.6	10.3
Pacific Telesis	521	6.8	2.1	851	4.0	2.1
Times Mirror	522	6.8	–34.9	842	4.3	2.6
VF	523	6.7	–13.9	243	18.6	4.6
Nashua	524	6.7	19.9	NR	NM	–13.4
SPS Technologies	525	6.7	–94.4	534	11.0	–1.2
Ameritech	526	6.6	7.5	855	3.8	4.5
Herman Miller	527	6.6	14.5	385	14.0	10.3
Standard Register	528	6.4	–2.3	451	12.6	0.9
Atlantic Energy	529	6.4	–6.2	802	5.3	4.5
US West	530	6.3	11.1	785	5.7	3.8
Thomas Industries	531	6.2	–5.4	715	7.2	15.8
Old Kent Financial	532	6.2	3.7	346	14.9	3.9
TRW	533	6.0b	–10.3	829	4.6	12.5
Eaton	534	6.0	–7.8	NR	NM	–0.5
First Union	535	5.9	–8.6	282	17.3	20.7
NWNL	536	5.9a	11.8	639	8.9a	–1.9

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Company	—Earnings per share— rank	5-year average %	latest 12 mos %	—Sales— rank	5-year average %	latest 12 mos %
GTE	537	5.9b	12.1	890	3.1	6.7
Potomac Electric	538	5.9	–15.9	908	2.3	1.5
Oklahoma G&E	539	5.8	18.0	930	1.5	12.5
Houghton Mifflin	540	5.8	17.3	581	10.0	8.8
Hawaiian Electric	541	5.7	–15.2	778	5.8	13.1
KeyCorp	542	5.6	9.5	159	25.0	6.8
PacifiCorp	543	5.6	4.6	774	5.9	3.3
Wisconsin Energy	544	5.6	12.6	939	1.1	–3.4
Upjohn	545	5.5	–42.1	713	7.3	2.1
First of America Bank	546	5.4	–5.7	196	21.7	12.1
TECO Energy	547	5.4	4.3	709	7.4	2.2
LADD Furniture	548	5.3	–60.4	255	18.2	26.7
American Electric	549	5.1	–5.7	949	0.5	5.7
La-Z-Boy Chair	550	5.1	–4.0	267	17.7	5.1
Southwest Gas	551	5.1	–19.3	404	13.6	2.3
Detroit Edison	552	5.1	D-P	832	4.6	4.0
EG&G	553	5.1	7.2	664	8.4	41.4
Lincoln National	554	5.1	–1.1	383	14.1	11.3
Modine Manufacturing	555	5.0	19.5	656	8.6	4.6
McKesson	556	5.0	–10.4	669	8.2	11.1
Dominion Resources	557	4.9	26.4	718	7.2	1.3
Ametek	558	4.9	2.5	387	13.9	14.5
Midwest Resources	559	4.9a	–22.5	793	5.5	–0.9
James River Corp Va	560	4.8	–78.2	174	23.4	–7.5
Minnesota Power & Lt	561	4.8	–20.8	898	2.7	2.2
Crestar Financial	562	4.7	–14.2	491	11.9	7.7
Square D	563	4.7	–9.5	830	4.6	–2.8
Tecumseh Products	564	4.7	–62.2	556	10.7	–2.0
Ipalco Enterprises	565	4.6	3.5	756	6.3	2.6
Intergraph	566	4.6	–9.5	328	15.7	18.4
Nash Finch	567	4.5	44.6	399	13.8	6.5
CoreStates Financial	568	4.5	–5.7	448	12.6	31.4
Florida Progress	569	4.4	–17.0	651	8.6	–3.8
USLife	570	4.4	–8.1	825	4.8	2.5
Duke Power	571	4.4	25.5	743	5.6	3.2
CILcorp	572	4.4	–20.2	981	–3.1	14.4
Hilton Hotels	573	4.4	–5.7	645	8.8	6.3
Guilford Mills	574	4.3	P-D	410	13.5	–13.9
BellSouth	575	4.3	3.7	676	8.1	2.5
Hughes Supply	576	4.2	–47.5	384	14.1	7.0
Aon	577	4.2	13.5	407	13.5	9.8
Genlyte Group	578	4.1	–13.2	704	7.5	0.3
Florida Rock Inds	579	4.0	–15.9	446	12.7	–7.3
PNC Financial	580	3.9	–52.5	136	26.7	8.1
IE Industries	581	3.8	92.5	957	–1.5	4.2
FPL Group	582	3.6	P-D	574	10.3	1.3
Baltimore G&E	583	3.6	–24.8	907	2.3	11.1
Lowe's Cos	584	3.4	12.8	648	8.7	10.6
UtiliCorp United	585	3.4	–2.1	119	28.4	19.1
Riggs National	586	3.3	–76.8	721	7.1	9.0
Southwestern Bell	587	3.3	2.5	874	3.4	4.6
Bell Atlantic	588	3.2	–13.8	733	6.9	6.6
Winn-Dixie Stores	589	3.1	10.3	824	4.8	6.1
Orange & Rockland	590	3.0	15.5	NR	NM	7.3
Parker Hannifin	591	2.9	15.6	374	14.3	0.0
Consolidated Edison	592	2.9	–7.3	955	–1.1	6.5
AmSouth Bancorp	593	2.7	–25.1	313	16.0	1.3
American General	594	2.4	18.1	764	6.2	5.6
Johnson Controls	595	2.4	–16.5	216	20.1	22.2
Pub Svc Enterprise	596	2.3	–3.5	925	1.7	5.4
SCEcorp	597	2.0	–5.7	735	6.9	3.5
No States Power	598	1.9	21.2	901	2.6	8.0
American Water Works	599	1.8	–8.2	795	5.4	6.2
Meridian Bancorp	600	1.7	–70.9	291	16.9	18.7
Allegheny Power	601	1.3	–6.0	769	5.9	4.4
Iowa-Illinois G&E	602	0.6	–8.3	984	–3.4	3.3
WPL Holdings	603	–0.8	47.6	947	0.8	1.2
Southwestern Pub Svc	604	–2.0	11.4	952	–0.7	–3.7
National Fuel Gas	605	–2.5	–5.2	1014	–6.0	4.2
Consol Natural Gas	606	–2.7	1.1	1012	–5.9	9.7
DQE	607	–2.8	11.5	810	5.1	1.5
Kansas Power & Light	608	–3.0	–0.5	1001	–5.1	7.8
Boeing	609	–3.2	48.1	481	12.0	25.3
General Dynamics	610	–3.2	–85.3	809	5.2	2.6
Laclede Gas	611	–3.3	–40.2	1022	–6.9	–1.2
Exxon	612	–3.8	3.0	NR	NM	17.9
Houston Industries	613	–3.9	19.7	964	–2.2	8.7
Noland	614	–4.3	40.4	761	6.2	–3.7
Southern Company	615	–4.3	–30.1	864	3.5	7.4
Echlin	616	–4.4	6.3	290	17.0	10.1
Meredith	617	–4.5	0.0	474	12.1	–4.2
Whirlpool	618	–4.7	39.0	447	12.6	16.1
Commonwealth Energy	619	–4.7	–15.4	919	1.9	8.7
New England Electric	620	–4.9	116.5	917	1.9	14.4
First Tennessee Natl	621	–5.3	57.7	751	6.4	7.0
American Bankers	622	–5.8	48.2	489	11.9	16.1
Shoney's	623	–5.9	63.6	453	12.6	8.6
Diebold	624	–6.1	–16.8	NR	NM	3.6
IBP	625	–6.1b	11.7	673	8.1	6.3
Dynatech	626	–6.4	35.0	309	16.2	17.4
American Greetings	627	–6.7	54.6	722	7.0	6.7
Witco	628	–6.8	–61.4	923	1.8	0.4
Standard Motor Prods	629	–7.0	–50.9	380	14.2	19.6
Thiokol	630	–7.1	143.6	646	8.7	4.4
Northeast Utilities	631	–7.4	–3.4	NR	NM	6.4
Kaman	632	–7.6	137.8	615	9.4	3.6
Owens & Minor	633	–7.7	37.7	151	25.5	36.3
Ohio Edison	634	–7.7	37.5	773	5.9	2.7
IBM	635	–7.8	–22.9	754	6.4	5.1
Oxford Industries	636	–7.9	–46.2	NR	NM	–5.5
Cigna	637	–8.2b	–16.4	772	5.9	13.6
Ball Corp	638	–8.4	94.0	921	1.9	18.6
Bassett Furniture Inds	639	–8.6	–46.6	862	3.6	–4.2
Emerson Radio	640	–8.6	P-D	301	16.5	–7.6
Trinova	641	–8.6	80.4	NR	NM	0.1
Rohr Industries	642	–8.7	11.1	492	11.9	10.5
Grumman	643	–9.1	9.5	784	5.7	1.8
Commonwealth Ed	644	–9.3	P-D	875	3.4	–9.2
Pacific G&E	645	–9.5	225.0	NR	NM	8.0
Dollar General	646	–10.2	16.4	847	4.1	4.9
Equitable Resources	647	–10.3	–2.5	973	–2.7	39.3
American Stores	648	–10.4	86.4	499	11.6	6.3
Bindley Western Inds	649	–10.6	20.3	165	24.2	28.0
First American Corp	650	–10.9	P-D	409	13.5	1.4
Centerior Energy	651	–11.0	D-P	823	4.8	5.0
NY State E&G	652	–11.3	–0.4	848	4.1	5.1
Yellow Freight Sys	653	–11.3	–59.8	600	9.7	4.6
Questar	654	–11.8	7.4	1019	–6.6	5.9
Hartmarx	655	–11.8	P-D	880	3.3	3.8
Circle K	656	–11.9	P-D	172	23.7	–0.6
Citicorp	657	–11.9	P-D	430	13.1	10.0
Carolina Freight	658	–12.0	P-D	716	7.2	6.6
Jamesway	659	–12.7	P-D	439	12.9	9.7
Public Service NM	660	–13.1	D-P	484	11.9	–4.1

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WHO'S WHERE IN GROWTH

Company	—Earnings per share— rank	5-year average %	latest 12 mos %	—Sales— rank	5-year average %	latest 12 mos %
US Shoe	661	–13.3	126.7	688	7.9	13.2
Burlington Northern	662	–13.5	88.5	928	1.6	1.6
Bank of Boston	663	–13.8	P-D	311	16.2	1.2
Universal Health	664	–14.0	[illegible]	513	11.4	6.4
McGraw-Hill	665	–14.2	[illegible]	792	5.6	6.8
Central Hudson G&E	666	–14.2	3.5	974	–2.8	8.3
Brown Group	667	–14.5	245.6	838	4.4	2.7
Rose's Stores	668	–14.9	–14.6	547	10.8	5.0
Ogden	669	–15.0b	–10.3	NR	NM	19.8
Harcourt Brace	670	–15.0	D-P	149	25.7	4.4
Fuqua Industries	671	–15.1	D-P	915	2.1	1.5
AH Belo	672	–15.2	49.4	911	2.3	7.0
Media General	673	–15.3	D-P	846	4.2	–1.5
Rochester G&E	674	–15.7	4.6	932	1.4	4.6
Ryder System	675	–15.9	15.4	296	16.7	1.9
Petrie Stores	676	–16.3	–23.9	828	4.6	3.0
Harris Corp	677	–17.6	352.9	NR	NM	21.7
Chrysler	678	–18.2	P-D	458	12.5	–20.4
Consolidated Rail	679	–18.2	–50.1	942	1.0	–4.0
Adolph Coors	680	–18.3	2.1	670	8.2	13.1
Rouse	681	–18.4	P-D	209	20.6	6.0
Oneok	682	–19.0	–6.2	1053	–13.9	8.0
Travelers	683	–19.0	P-D	841	4.4	–5.0
Arvin Industries	684	–19.3	184.2	324	15.8	13.2
Occidental Petroleum	685	–19.4	35.0	742	6.6	1.9
Quaker State	686	–19.6	12.3	975	–2.8	5.3
FirstFed Michigan	687	–20.1	491.7	924	1.8	–4.0
American Natl Ins	688	–20.2	–5.7	752	6.4	2.1
Harsco	689	–20.3	D-P	884	3.2	15.9
Culbro	690	–22.2	D-P	NR	NM	3.0
Chevron	691	–22.8	–55.0	1036	–9.5	22.9
USG	692	–23.7	–92.3	NR	NM	–3.8
First Fidelity Bncp	693	–23.9	D-D	528	11.2	3.1
Niagara Mohawk Power	694	–24.0	66.2	943	0.9	9.0
McDonnell Douglas	695	–24.8	192.4	642	8.8	9.1
Unocal	696	–25.3	–21.1	NR	NM	0.7
Tektronix	697	–25.5	P-D	941	1.0	–0.7
Sun Company	698	–27.7	–89.3	1037	–9.5	12.7
Storage Technology	699	–28.2b	31.6	797	5.4	16.0
United Banks of Colo	700	–28.8	P-D	748	6.5	6.4
Turner Corp	701	–30.8	500.0+	335	15.4	–5.3
USF&G	702	–32.5b	142.9	582	10.0	1.1
Cabot	703	–33.9b	396.4	883	3.2	–13.6
Texas Industries	704	–38.0	D-P	300	16.6	–4.1
Lionel	705	–41.3	P-D	689	7.9	3.5
Acme Steel	NR	NM	–73.2	472	12.2	4.1
Advanced Micro	NR	NM	D-D	879	3.3	1.0
ADVO-System	NR	NM	179.4	532	11.1	6.0
Airborne Freight	NR	NM	103.1	262	17.9	25.5
Alaska Air Group	NR	NM	–37.9	190	22.0	13.9
Allen Group	NR	NM	–25.8	NR	NM	3.1
Allied Products	NR	NM	D-D	288	17.0	–13.2
Allied-Signal	NR	NM	–4.3	859	3.7	3.1
AM International	NR	NM	P-D	612	9.5	3.1
AMAX	NR	NM	–63.0	265	17.8	–6.7
AMC Entertainment	NR	NM	P-D	336	15.4	–5.9
Amerada Hess	NR	NM	–32.0	1038	–9.8	14.7
America West Airlines	NR	NM	P-D	41	51.4	34.6
American Building	NR	NM	11.1	529	11.2	6.7
American Capital	NR	NM	D-D	108	29.6	–19.2
American Maize	NR	NM	–41.8	822	4.9	–6.7
American Petrofina	NR	NM	–34.2	738	6.8	19.9
American President	NR	NM	P-D	210	20.6	–1.5
Ames Dept Stores	NR	NM	D-D	71	39.0	–9.4
Amoco	NR	NM	3.1	985	–3.4	9.7
Ampco-Pittsburgh	NR	NM	D-P	1055	–14.1	–4.1
Anacomp	NR	NM	P-D	50	45.3	3.1
Analog Devices	NR	NM	–70.4	655	8.6	0.0
Applied Materials	NR	NM	–22.1	158	25.0	20.3
Arkla	NR	NM	D-P	245	18.6	14.1
Armco	NR	NM	P-D	1034	–9.5	–38.8
Arrow Electronics	NR	NM	D-P	623	9.2	5.0
Asarco	NR	NM	–15.5	412	13.4	–3.9
Ashland Oil	NR	NM	111.0	NR	NM	6.4
AST Research	NR	NM	D-P	49	46.2	20.1
Atari	NR	NM	D-P	95	31.6	6.1
Guy F Atkinson	NR	NM	D-D	NR	NM	4.0
Atlanta Gas Light	NR	NM	6.3	1003	–5.3	6.6
Avnet	NR	NM	–1.2	850	4.1	–6.1
Avon Products	NR	NM	–42.3	905	2.4	2.5
Avondale Industries	NR	NM	P-D	573	10.3	8.2
Baker Hughes	NR	NM	65.6	1023	–7.3	12.3
Balfour Maclaine	NR	NM	P-D	220	19.8	–25.7
Bally Manufacturing	NR	NM	P-D	595	9.7	4.6
Bank of New England	NR	NM	P-D	225	19.7	–24.4
Bank of New York	NR	NM	D-P	152	25.5	7.6
BankAmerica	NR	NM	–19.5	1013	–6.0	4.3
Bankers Trust NY	NR	NM	D-P	663	8.4	7.3
Barnes Group	NR	NM	–30.0	926	1.7	7.7
Bell Industries	NR	NM	53.8	682	8.0	–2.7
Beneficial Corp	NR	NM	24.3	995	–4.7	7.0
Best Buy Co	NR	NM	500.0+	31	60.3	20.7
Bethlehem Steel	NR	NM	–66.6	NR	NM	–10.9
Beverly Enterprises	NR	NM	D-P	699	7.5	0.6
Big B	NR	NM	P-D	205	21.0	25.0
Black & Decker	NR	NM	253.8	388	13.9	35.9
Blockbuster	NR	NM	70.2	NR	NM	79.3
Boatmen's Bancshares	NR	NM	60.0	834	4.5	3.7
Borden	NR	NM	D-P	460	12.4	0.9
Boston Edison	NR	NM	P-D	NR	NM	–0.2
Briggs & Stratton	NR	NM	D-P	759	6.2	14.0
Bristol-Myers Squibb	NR	NM	–30.8	498	11.7	10.6
Broad	NR	NM	500.0+	231	19.2a	37.4
Brooklyn Union Gas	NR	NM	–15.1	969	–2.3	2.5
Brunswick	NR	NM	D-P	233	19.2	–12.3
Businessland	NR	NM	P-D	26	61.9	9.2
Cablevision Systems	NR	NM	D-D	69	39.9	11.7
CalFed	NR	NM	P-D	675	8.1	–22.5
Carl Karcher	NR	NM	–67.8	592	9.8	6.7
Carlisle Cos	NR	NM	4.2	904	2.6	7.0
Carolina Power & Lt	NR	NM	–17.2	783	5.8	5.1
Carpenter Technology	NR	NM	50.0	906	2.4	–8.0
Carter Hawley Hale	NR	NM	P-D	NR	NM	2.5
Central & So West	NR	NM	19.2	960	–1.9	7.1
Central Maine Power	NR	NM	23.1	736	6.8	9.7
Charter	NR	NM	P-D	1068	–28.6	–11.1
Chase Manhattan	NR	NM	D-D	697	7.6	0.8
Chemed	NR	NM	–23.1	538	11.0	0.6
Chemical Banking	NR	NM	D-P	672	8.1	–1.4
Child World	NR	NM	–98.8	557	14.6	1.4
Cincinnati Milacron	NR	NM	–67.9	817	5.0	–0.1
Cipsco	NR	NM	–16.0	989	–3.7	1.0
Clark Equipment	NR	NM	7.5	597	9.7	7.1
CMS Energy	NR	NM	–28.8	972	–2.5	0.9

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

Company	—Earnings per share— rank	5-year average %	latest 12 mos %	—Sales— rank	5-year average %	latest 12 mos %
Coachmen Industries	NR	NM	D-D	1011	–5.7	–15.4
Coast Savings Finl	NR	NM	D-D	417	13.3	–6.5
Columbia S&L Assn	NR	NM	D-D	542	10.9	–60.1
Comcast	NR	NM	D-D	47	46.6	21.9
Comdisco	NR	NM	–18.7	134	26.9	15.3
Commerce Clearing	NR	NM	–11.0	571	10.4	5.3
Commercial Federal	NR	NM	P-D	191	22.0	–22.9
Commercial Intertech	NR	NM	–50.3	234	19.1	3.1
Communications Trans	NR	NM	D-D	14	77.8	–2.9
Conner Peripherals	NR	NM	130.7		NA	99.0
Consolidated Stores	NR	NM	P-D	29	61.3	2.5
Contel	NR	NM	–16.4	804	5.3	7.2
Continental Airlines	NR	NM	D-D	51	45.1	–5.2
Continental Bank	NR	NM	P-D	NR	NM	–17.0
Continental Corp	NR	NM	D-P	813	5.1	–5.6
Control Data	NR	NM	D-D	987	–3.6	–46.6
Cross & Trecker	NR	NM	D-D	678	8.0	–5.7
CrossLand Savings FSB	NR	NM	D-D	508	11.5	–19.9
Crown Central Pet	NR	NM	–44.4	991	–3.9	64.0
CSX	NR	NM	4.1	NR	NM	3.8
Cummins Engine	NR	NM	D-D	557	10.6	–3.0
Dairy Mart	NR	NM	110.7	63	42.2	–10.1
Dana	NR	NM	–40.7	637	8.9	–0.5
Data General	NR	NM	D-D	899	2.7	–7.5
Datapoint	NR	NM	D-D	1040	–10.1	–14.5
Deere & Co	NR	NM	21.5	408	13.5a	12.5
Delchamps	NR	NM	11.6	604	9.6	5.9
Delmarva Power & Lt	NR	NM	1.8	913	2.2	4.9
DeSoto	NR	NM	D-P	NR	NM	5.7
Diamond Shamrock	NR	NM	–0.7	977	–2.9	22.8
Dime Savings Bank FSB	NR	NM	P-D	519	11.4	–3.0
Diversified Energies	NR	NM	–74.2	970	–2.3	–7.5
Douglas & Lomason	NR	NM	D-P	577	10.2	5.6
Dravo	NR	NM	D-P	1067	–25.1	5.1
Dresser Industries	NR	NM	6.8	NR	NM	9.2
Dun & Bradstreet	NR	NM	–9.2	429	13.1	8.7
DWG	NR	NM	D-D	411	13.4	2.9
Eagle-Picher Inds	NR	NM	D-P	888	3.1	–7.6
Eastman Kodak	NR	NM	–65.1	431	13.1	3.3
Egghead	NR	NM	D-P	5	104.8	20.8
El Paso Electric	NR	NM	D-D	558	10.6	5.2
Engelhard	NR	NM	P-D	NR	NM	17.8
Enron	NR	NM	107.5	1017	–6.3	21.2
Enserch	NR	NM	56.5	1004	–5.3	4.1
Enstar Group	NR	NM	D-P	59	43.5	–40.2
Entergy	NR	NM	D-P	882	3.3	6.3
ERLY Industries	NR	NM	D-P	319	15.9	7.1
Family Dollar Stores	NR	NM	33.3	281	17.3	15.5
Federal-Mogul	NR	NM	–60.4	801	5.3	–0.7
Finevest Foods	NR	NM	D-D	83	34.8b	3.6
First American Finl	NR	NM	7.3	294	16.8	3.5
First Bank System	NR	NM	D-D	NR	NM	8.4
First Executive	NR	NM	P-D	693	7.7	–60.1
First Interstate Bncp	NR	NM	P-D	816	5.0	–7.0
First Mississippi	NR	NM	–39.1	658	8.5	16.7
Fleetwood Enterprises	NR	NM	–23.7	894	2.8	–2.7
Fleming Cos	NR	NM	9.5	314	16.0	–3.6
Fluor	NR	NM	29.5	745	6.6	14.9
Foodarama Supermkts	NR	NM	130.2	831	4.6	20.1
Foremost Corp of Amer	NR	NM	P-D	NR	NM	–4.5
LB Foster	NR	NM	–45.7	1043	–10.5	–2.1
Foster Wheeler	NR	NM	16.9	968	–2.3	20.1

Company	—Earnings per share— rank	5-year average %	latest 12 mos %	—Sales— rank	5-year average %	latest 12 mos %
Fremont General	NR	NM	314.0	NR	NM	31.2
Fruit of the Loom	NR	NM	2.7	253	18.2	17.0
General Host	NR	NM	D-P	998	–5.0	5.4
General Motors	NR	NM	P-D	776	5.8	–1.4
General Signal	NR	NM	–62.0	NR	NM	–7.8
Genesco	NR	NM	–62.5	993	–4.6	0.9
Genovese Drug Stores	NR	NM	–28.3	392	13.9	6.7
Goodyear	NR	NM	P-D	914	2.1	2.2
Goulds Pumps	NR	NM	–93.8	482	11.9	8.2
WR Grace	NR	NM	–14.9	NR	NM	7.9
Great American Bank	NR	NM	D-D	289	17.0	–16.2
Great American Mgmt	NR	NM	500.0+	32	60.1	27.7
Gt Western Financial	NR	NM	–52.2	896	2.7	10.3
Greyhound Dial	NR	NM	–85.7	881	3.3	0.2
Grossman's	NR	NM	–59.4	994	–4.7	–29.8
Grow Group	NR	NM	P-D	584	10.0	0.3
Gulf States Utils	NR	NM	D-D	NR	NM	4.7
Hadson	NR	NM	D-D	18	72.5	–29.2
Halliburton	NR	NM	90.2	NR	NM	24.1
Handy & Harman	NR	NM	–22.5	910	2.3	–13.7
MA Hanna	NR	NM	–42.3	42	51.0	3.7
Harken Energy	NR	NM	P-D	NR	NM	–16.1
Harnischfeger Inds	NR	NM	44.1	97	31.2	25.4
Hasbro	NR	NM	–3.3	537	11.0	4.1
Healthco Intl	NR	NM	P-D	545	10.9	5.7
Hercules	NR	NM	P-D	869	3.5	2.8
Hexcel	NR	NM	–96.9	251	18.2	1.2
Highland Superstores	NR	NM	D-D	211	20.6	–0.5
Hills Dept Stores	NR	NM	D-D	725	7.0	16.9
Holnam	NR	NM	P-D	213	20.5	–0.3
Home Shopping	NR	NM	D-P	25	64.1b	30.2
Homestead Financial	NR	NM	D-D	820	4.9	–39.0
Honeywell	NR	NM	D-P	NR	NM	–2.1
Horn & Hardart	NR	NM	D-D	643	8.8	20.6
Hudson Foods	NR	NM	–64.7	101	30.9	7.4
Huffy	NR	NM	25.4	575	10.3	19.5
Humana	NR	NM	20.3	325	15.7	18.7
Illinois Power	NR	NM	D-P	934	1.3	5.6
Imcera Group	NR	NM	–21.4	1015	–6.1	38.3
Imo Industries	NR	NM	–20.1	279	17.5	34.1
INB Financial	NR	NM	–22.9	400	13.7	3.7
Inco	NR	NM	–36.2	170	23.9	–20.4
Independent Insurance	NR	NM	–11.8	833	4.5	4.7
Inspiration Resource	NR	NM	–87.0	636	8.9	2.5
Instrument Systems	NR	NM	D-P	114	28.9	14.3
Intel	NR	NM	60.8	250	18.4	27.4
Interco	NR	NM	P-D	1025	–7.5	–23.1
Intermark	NR	NM	D-D	397	13.8	43.4
Intl Multifoods	NR	NM	–11.8	500	11.6	8.4
Itel	NR	NM	82.6	10	85.3	11.1
Jefferson-Pilot	NR	NM	29.2	929	1.5	1.6
Kmart	NR	NM	–54.5	731	6.9	13.7
Kansas City P&L	NR	NM	18.9	800	5.3	5.7
Kansas City Southern	NR	NM	D-P	938	1.1	2.7
Kansas Gas & Elec	NR	NM	19.6	766	6.1	9.2
Kerr Glass Mfg	NR	NM	D-D	887	3.1	5.3
Kerr-McGee	NR	NM	–12.4	990	–3.7	15.6
KN Energy	NR	NM	D-P	1010	–5.7	13.4
Kroger	NR	NM	D-P	861	3.7	7.3
LA Gear	NR	NM	–13.4	NR	NM	70.9
Landmark Land	NR	NM	P-D	200	21.3	–12.1
LG&E Energy	NR	NM	–16.9	NR	NM	5.0

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

WHO'S WHERE IN GROWTH

Company	—Earnings per share— rank	5-year average %	latest 12 mos %	—Sales— rank	5-year average %	latest 12 mos %
Lifetime	NR	NM	254.8	NR	NM	55.8
Litton Industries	NR	NM	2.6	927	1.7	3.2
LIVE Entertainment	NR	NM	–51.6	232	18.5	69.1
Lone Star Industries	NR	NM	P-D	1063	–20.8	–21.6
Lone Star Tech	NR	NM	D-D	486	11.9	–8.8
Long Island Lighting	NR	NM	D-P	889	3.1	b.5
Louisiana Land	NR	NM	8.0	1046	–11.6	15.4
LSI Logic	NR	NM	D-P	60	43.4	15.5
LTV	NR	NM	–50.8	966	–2.3	–5.4
LVI Group	NR	NM	D-D	27	61.8	–24.2
M/A-Com	NR	NM	P-D	1052	–13.6	–15.1
Magma Copper	NR	NM	17.2	206	20.9	20.0
MAI Systems	NR	NM	D-P	583	10.0	346.1
Manor Care	NR	NM	25.4	610	9.5	13.8
Manufacturers Hanover	NR	NM	D-P	NR	NM	–10.6
Mattel	NR	NM	36.2	843	4.3	20.3
Maxtor	NR	NM	109.1	28	61.7	57.3
Maxus Energy	NR	NM	D-D	1059	–17.1	11.0
Maxxam	NR	NM	134.9	13	79.2	12.1
Maytag	NR	NM	–14.7	593	9.8	13.1
McCaw Cellular	NR	NM	D-P	4	105.4	100.8
McDermott Intl	NR	NM	D-D	1016	–6.2	2.6
MCI Communications	NR	NM	–49.5	140	26.3	19.3
MDC Holdings	NR	NM	D-D	141	26.2	–29.7
Mellon Bank	NR	NM	9.4	912	2.2	–2.5
Mercantile Bancorp	NR	NM	D-P	866	3.5	4.1
Meritor Savings Bank	NR	NM	D-D	NR	NM	–34.9
Merrill Lynch	NR	NM	P-D	405	13.6	–1.6
Fred Meyer	NR	NM	P-D	608	9.5	14.0
MicroAge	NR	NM	52.1	58	44.0	71.0
Micron Technology	NR	NM	–95.4	55	44.6	–25.3
Midway Airlines	NR	NM	P-D	120	28.3	32.1
Mine Safety Appliance	NR	NM	7.7	944	0.9	10.3
Mitchell Energy	NR	NM	90.9	1030	–7.8	12.0
MLX	NR	NM	P-D	NR	NM	1.6
Monarch Capital	NR	NM	P-D	473	12.1	–3.7
Montana Power	NR	NM	–2.3	702	7.5	6.9
JP Morgan & Co	NR	NM	D-P	659	8.5	2.1
Morgan Products Ltd	NR	NM	P-D	617	9.4	–3.6
Morrison Knudsen	NR	NM	D-P	NR	NM	–19.0
Morton International	NR	NM	57.4	703	7.5	20.6
Multimedia	NR	NM	30.0	633	8.9	4.1
Murphy Oil	NR	NM	104.6	1020	–6.7	12.4
Natl Convenience	NR	NM	D-D	877	3.4	–1.3
National Education	NR	NM	P-D	176	23.4	–12.6
National Intergroup	NR	NM	P-D	NR	NM	–4.6
National Medical	NR	NM	55.0	551	10.7	0.4
Natl Semiconductor	NR	NM	D-D	870	3.4	7.5
National-Standard	NR	NM	D-D	891	2.9	–7.9
Navistar Intl	NR	NM	P-D	NR	NM	–11.7
Newmont Mining	NR	NM	206.4	1009	–5.7	12.5
Nicor	NR	NM	11.1	1033	–8.9	1.5
Nipsco Industries	NR	NM	–38.9	1008	–5.6	1.0
Norfolk Southern	NR	NM	–1.7	814	5.1	0.3
Nortek	NR	NM	D-D	214	20.3	–4.9
Northeast Federal	NR	NM	D-D	530	11.2	–32.3
Northern Telecom	NR	NM	142.3	516	11.4	14.1
Northrop	NR	NM	D-P	739	6.6	–6.3
Nynex	NR	NM	–29.8	734	6.9	3.4
Old Republic Intl	NR	NM	107.6	368	14.4	7.6
Omnicom Group	NR	NM	14.1	601	9.6	19.2
Oneida	NR	NM	–41.1	585	10.0	1.4
Oracle Systems	NR	NM	–23.1	2	124.4	49.5
Orion Capital	NR	NM	–7.7	280	17.4	0.5
Oshkosh Truck	NR	NM	–89.4	562	10.5	13.5
Owens-Corning	NR	NM	–16.5	962	–2.1	13.4
Pacific Enterprises	NR	NM	P-D	747	6.5	5.4
PaineWebber Group	NR	NM	36.4	468	12.3	9.3
Pan Am	NR	NM	D-D	NR	NM	11.8
Panhandle Eastern	NR	NM	D-P	1026	–7.5	67.9
Pathe Communications	NR	NM	D-P	NR	NM	–25.6
Penn Central	NR	NM	–32.8	1044	–10.8	20.2
Pennzoil	NR	NM	P-D	978	–2.9	–15.2
Peoples Energy	NR	NM	–13.4	1032	–8.6	–1.9
Perini	NR	NM	156.8	936	1.2	25.9
Perkin-Elmer	NR	NM	D-P	1018	–6.5	6.8
Perry Drug Stores	NR	NM	500.0+	512	11.4	–2.4
Petroleum Heat & Pwr	NR	NM	D-D	273	17.6	21.4
Phelps Dodge	NR	NM	–61.6	109	29.2	–5.6
PHH	NR	NM	–27.0	117	28.7	9.1
Philadelphia Elec	NR	NM	–76.0	902	2.6	9.2
Phillips Petroleum	NR	NM	–92.4	1007	–5.6	3.2
Pic 'N' Save	NR	NM	–62.7	348	14.9	15.9
Pinkerton	NR	NM	NA	86	33.9a	NA
Pinnacle West	NR	NM	D-D	423	13.2	2.6
Pioneer Hi-Bred Intl	NR	NM	–24.6	885	3.2	11.2
Pittston	NR	NM	–53.9	763	6.2	7.6
Pittway	NR	NM	–15.7	560	10.6	12.1
Ply Gem Industries	NR	NM	–41.0	125	27.7	19.5
Portland General	NR	NM	–97.7	NR	NM	5.9
Premark Intl	NR	NM	–50.6	625	9.1	4.3
Premier Bancorp	NR	NM	D-P	903	2.6	–3.7
Preston	NR	NM	P-D	297	16.7	6.3
Procter & Gamble	NR	NM	12.6	533	11.1	14.5
Provident Life & Acc	NR	NM	31.9	349	14.8	1.9
PS Group	NR	NM	P-D	1066	–24.5	11.5
Public Service Colo	NR	NM	–6.9	953	–0.8	–5.4
Public Service NH	NR	NM	P-D	853	3.9	7.0
Quanex	NR	NM	–22.7	698	7.6	27.7
Reliance Group	NR	NM	D-P	402	13.7	12.6
Republic New York	NR	NM	D-P	252	18.2	6.8
Reynolds & Reynolds	NR	NM	–9.1	259	18.1	–1.1
Roadway Services	NR	NM	7.3	463	12.3	12.8
HH Robertson	NR	NM	D-D	1002	–5.3	3.1
Rochester Telephone	NR	NM	–20.1	662	8.5	8.4
Ross Stores	NR	NM	–23.8	153	25.5	10.2
Salant	NR	NM	P-D	181	22.7	–14.1
Salomon	NR	NM	15.0	459	12.5	14.8
San Diego G&E	NR	NM	20.5	786	5.7	–14.5
Santa Fe Pacific	NR	NM	P-D	1058	–16.3	–2.7
Savin	NR	NM	D-D	983	–3.3	0.8
Scana	NR	NM	50.5	NR	NM	2.9
Schlumberger	NR	NM	23.9	1005	–5.3	6.6
Scientific-Atlanta	NR	NM	8.6	765	6.1	5.4
EW Scripps	NR	NM	–27.2	607	9.5	3.3
Seagate Technology	NR	NM	11.2	54	44.9	84.1
Sears, Roebuck	NR	NM	13.5	737	6.8	4.5
Sequa	NR	NM	–9.6	182	22.7	19.8
Service Corp Intl	NR	NM	P-D	256	18.2	–0.1
Service Merchandise	NR	NM	–34.3	454	12.5	7.3
Shawmut National	NR	NM	P-D	321	15.9	–4.2
Signet Banking	NR	NM	–42.1	382	14.1	14.2
AO Smith	NR	NM	–43.0	895	2.8	–7.7
Smith International	NR	NM	D-P	1061	–18.5	16.6

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

Company	—Earnings per share— rank	5-year average %	latest 12 mos %	—Sales— rank	5-year average %	latest 12 mos %
Sonat	NR	NM	-15.4	1042	-10.3	-11.5
Southdown	NR	NM	31.1	340	15.3	-9.5
Southeast Banking	NR	NM	P-D	587	9.9	0.2
Southwest Airlines	NR	NM	-20.0	493	11.8	15.8
Sprague Technologies	NR	NM	D-D	1021	-6.9	-19.7
Std Commercial	NR	NM	D-P	263	17.8	3.0
Standex International	NR	NM	16.8	858	3.7	7.0
Stewart & Stevenson	NR	NM	-1.3	221	19.7	13.3
Sudbury	NR	NM	-100.0	30	61.1	-14.4
Sundstrand	NR	NM	68.7	707	7.4	1.3
TCF Financial	NR	NM	P-D	NR	NM	-14.1
Tele-Communications	NR	NM	D-D	40	51.9	24.4
Tenneco	NR	NM	-29.4	961	-2.0	5.3
Teradyne	NR	NM	P-D	740	6.6	-9.6
Tesoro Petroleum	NR	NM	D-P	1064	-23.3	32.0
Texas Utilities	NR	NM	22.0	931	1.4	4.5
Thorn Apple Valley	NR	NM	P-D	965	-2.3	10.9
TIE/communications	NR	NM	D-D	1051	-13.1	-30.7
Time Warner	NR	NM	P-D	285	17.1	96.7
Timken	NR	NM	-55.1	690	7.9	-1.5
Tonka	NR	NM	P-D	48	46.5	-12.6
Tosco	NR	NM	161.9	999	-5.0	54.7
Town & Country	NR	NM	125.0	44	47.8	17.7
Transco Energy	NR	NM	D-P	1006	-5.6	19.1
Trinity Industries	NR	NM	-42.3	146	25.8	5.6
Tucson Electric	NR	NM	D-D	594	9.7	-16.5
Turner Broadcasting	NR	NM	D-D	102	30.4	34.1
UAL	NR	NM	-43.3	691	7.8	9.8
Union Carbide	NR	NM	-50.5	NR	NM	-2.3
Union Pacific	NR	NM	7.5	997	-4.9	12.1
Union Texas Petrol	NR	NM	-80.3	1057	-15.3	20.9
Unisys	NR	NM	D-D	242	18.7	1.4
UA Entertainment	NR	NM	D-D	177	23.3	33.7
United HealthCare	NR	NM	115.4	65	41.7	40.0
United Illuminating	NR	NM	D-P	946	0.8	9.8
United Merchants	NR	NM	D-D	988	-3.6	-29.9
US Healthcare	NR	NM	169.0	85	34.2	35.3
US Home	NR	NM	D-D	1031	-8.5	-11.6
United Telecom	NR	NM	-49.1	189	22.0	12.5
USAir Group	NR	NM	P-D	79	35.9	2.6
Uslico	NR	NM	-5.3	185	22.5	13.4
USX	NR	NM	-5.0	NR	NM	5.3
Valero Energy	NR	NM	50.9	1065	-23.3	28.2
Valley National	NR	NM	D-D	845	4.2	-5.1
Varian Associates	NR	NM	P-D	708	7.4	-6.5
Varity	NR	NM	37.9	401	13.7	39.8
Vista Chemical	NR	NM	-35.4	620	9.3	-7.7
Volt Info Sciences	NR	NM	-49.0	305	5.3	9.3
Vons Cos	NR	NM	D-P	339	15.3	3.2
Wackenhut	NR	NM	22.9	554	10.7	14.4
Wang Laboratories	NR	NM	D-D	744	6.6	-10.4
Washington Gas Light	NR	NM	3.3	963	-2.2	-2.7
Washington Mutual	NR	NM	-9.2	523	11.2	10.3
Washington National	NR	NM	D-P	299	16.6b	2.4
Weirton Steel	NR	NM	17.9	815	5.1	-10.3
Wendy's Intl	NR	NM	46.2	940	1.0	-4.6
Western Digital	NR	NM	-30.5	33	56.9	7.9
Western Union	NR	NM	D-D	1039	-10.0	-10.6
Westmark Intl	NR	NM	11.0	222	19.7	13.9
Westmoreland Coal	NR	NM	9.2	951	-0.6	-5.7
Wheeling-Pittsburgh	NR	NM	-40.0	782	5.8	-6.1
Wholesale Club	NR	NM	58.1	21	67.9	38.7
Wicor	NR	NM	-28.8	980	-3.1	-5.7
Williams Cos	NR	NM	58.6	1054	-14.1	11.7
Winnebago Industries	NR	NM	D-D	937	1.2	-23.4
Wisconsin Public Svc	NR	NM	-0.5	958	-1.9	-4.6
WLR Foods	NR	NM	-21.5	630	9.0	7.2
Wyman-Gordon	NR	NM	D-D	1000	-5.0	15.7
Zenith Electronics	NR	NM	D-D	NR	NM	-24.2
Air & Water Tech		NA	D-D	479	12.0a	-4.2
Alleghany		NA	27.2	68	39.9	32.8
Allegheny Ludlum		NA	-28.2	494	11.8	-15.7
Allergan		NA	NA	130	27.1	4.7
American Medical		NA	D-D	674	8.1	-7.4
AmeriFirst Bank		NA	D-D	979	-3.1	-11.1
Anchor Savings Bank		NA	D-D	787	5.7	10.1
Baroid		NA	64.7	1049	-12.6	15.2
Beckman Instruments		NA	-15.3	616	9.4	0.5
Burlington Resources		NA	-49.0	1062	-20.4a	4.9
Cyclops Industries		NA	P-D	236	19.0	-11.3
Eagle Food Centers		NA	-11.9	959	-1.9	4.2
Eljer Industries		NA	-44.3	640	8.8	2.9
ESCO Electronics		NA	-73.1	806	5.2a	-10.2
First Brands		NA	-19.6		NA	-5.6
First City Bncp Texas		NA	NA		NA	NA
Foundation Health		NA	D-P	19	70.8b	11.5
Gaylord Container		NA	P-D		NA	-3.7
Goldome		NA	D-P	NR	NM	3.0
Henley Group		NA	NA		NA	41.0
Hillhaven		NA	NA	485	11.9a	10.3
ICH		NA	D-D		NA	-14.9
Illinois Central		NA	NA	1045	-10.9a	2.3
IMC Fertilizer Group		NA	-32.1	878	3.4	-6.9
InterTAN		NA	-40.2	421	13.3	7.6
Lyondell Petrochem		NA	NA	803	5.3	13.1
MCN		NA	-27.2	1035	-9.5	-6.3
Neiman Marcus Group		NA	300.0	393	13.9	15.1
Oryx Energy		NA	130.0	1060	-17.7	49.2
Penn Traffic		NA	D-D	81	35.7	40.4
People's Bank		NA	NA	588	9.9	4.8
Promus Cos		NA	NA	876	3.4	6.6
QVC Network		NA	P-D		NA	500.0+
Rexene		NA	NA	544	10.9	-21.8
Richfood Holding		NA	D-P	627	9.1	-11.7
Riser Foods		NA	D-P		NA	-2.6
Charles Schwab		NA	66.7	110	29.2	22.4
Smith Corona		NA	-41.2	266	17.8b	-14.7
Standard Fedl Bank		NA	-18.9	495	11.8	-3.8
Sterling Chemicals		NA	-39.5		NA	-12.9
Talman Home Federal		NA	-26.6	967	-2.3	-4.7
Tredegar Industries		NA	NA	865	3.5	-9.5
TW Holdings		NA	NA	147	25.8	3.6
UNC		NA	P-D	712	7.3	-15.2
Unitrin		NA	NA		NA	NA
UNUM		NA	38.3	564	10.5	9.5
Viacom		NA	P-D	80	35.8	10.6
Waban		NA	NA	46	47.1	19.4
Wheelabrator Tech		NA	-16.8	334	15.6a	-20.1

D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. NA: Not available. NM: Not meaningful. NR: Not ranked. a: Four-year average. b: Three-year average.

THE STOCK MARKET

Too bad the five-year performance period for these stocks didn't end last July.

By Timothy Dodman

THE DOW JONES INDUSTRIALS rose 94% between Dec. 31, 1985 and July 17, 1990—when they hit their alltime closing high of almost 3000. Since then, the market is off by 15%, giving it an overall five-year gain of nearly 66%, or 10.6% compounded annually.

This is a pretty good showing, but it masks weaknesses in the broader stock market. While the big-stock Dow did well, the small-stock Nasdaq was up less than 10% over the past five years—less than 2% on an annualized basis.

Despite the fact that our industry survey is weighted with big companies, the average issue in our stock market report—which excludes the biotechnology companies—did little better than the Nasdaq index. The average five-year increase of the 1,078 survey stocks ranked in our stock market report is only 12%. This isn't as good as the 38% risk-free return from Treasurys over the same period. Overall, 457 of the 1,078 stocks declined in price. Only 30% rose 50% or more, and just 55 stocks tripled or better. Not a very good showing for stocks in general.

Those with a historical perspective might take some comfort in the market's poor performance during the last part of 1990. Over the past 12 years there have not been two consecutive years of declining stock prices. If the record holds, 1991 ought to be a pretty good year for stocks.

Blockbuster Entertainment is the best-performing stock in our survey. This Fort Lauderdale, Fla.-based video rental company gained over 3,000% in five years. In 1985 Blockbuster was too small to make our list, and the video rental industry was in its infancy. Now Blockbuster is the largest of its kind, with 1,545 stores and around 15% of the $8 billion (sales) U.S. video rental market.

The company has attracted lots of interest from short-sellers during its eight-year history as a public company, but most of them wish they had never heard of the stock. On average, its shares have doubled in each of the past five years. So a $10,000 stake invested in Blockbuster five years ago would now be worth just over $316,000.

Home Depot, a fast-growing warehouse retailer of home improvement supplies, saw its stock price shoot up over 800% in five years. Fourth-place Gap is up almost 600%. This is the fifth straight year that Gap has been one of the 25 top-performing issues in our survey—a performance unmatched by any other company.

As might be expected, financial services account for almost half of our list of the 25 worst-performing stocks. Columbia Savings & Loan was recently trading at 3 cents a share. The Beverly Hills, Calif.-based thrift took huge losses on its junk bond holdings and was hurt by defaults on its mortgage portfolio, collateralized by southern California real estate.

Declining real estate prices and the junk bond debacle proved to be the downfall of a good number of other financial institutions. American Capital, CrossLand Savings, Bank of New England and First Executive declined by at least 95%.

Enstar Group is another big loser with ties to the savings and loan industry, but one with a unique story. Up until 1989 it was known as Kinder-Care, a very successful chain of child care centers. Back in 1986 this company had a five-year stock price gain of 243%. But the company then began a disastrous diversification strategy by acquiring a specialty retailer and a savings and loan, Centerbanc. Child care was seen by management to be in the way of its broad new plans. So it sold the child care operation in November 1989, making it a separate publicly held company. Shareholders got only rights to pur-

STOCK SCOREBOARD

Industry	Price change 5-year*	1-year†
Food, drink & tobacco	72.9%	–7.4%
Health	67.0	3.0
Chemicals	61.3	–14.7
Energy	49.5	–9.8
Consumer nondurables	30.0	–22.6
Electric utilities	20.1	–8.4
Forest products & packaging	15.4	–29.0
Business services & supplies	15.2	–33.3
Capital goods	14.1	–25.7
Materials	11.2	–31.8
Computers & communications	8.7	–21.2
Entertainment & information	8.4	–30.0
Transport	2.2	17.2
Retailing	1.9	–25.4
Travel	–8.5	–37.6
Aerospace & defense	–8.5	–18.4
Insurance	–10.5	–26.0
Consumer durables	–14.2	–30.4
Financial services	–29.6	–32.8
Construction	–31.1	–25.7
Dow industrials	65.5	–7.0
S&P 500	51.6	–9.3

*Price change from 12/31/85 to 11/14/90. †Price change from 12/29/89 to 11/14/90.

chase shares in the new company. Then the renamed Enstar spun off equity (value: 30 cents per share) in its American Savings & Loan unit six months ago to Enstar stockholders. Enstar stock is practically worthless today.

A company's shares must have been publicly traded as of Dec. 31, 1987 to be ranked in the following table. Firms that underwent a major merger or reorganization during the period are not ranked if the event significantly increased or decreased stockholders' equity.

Companies that paid out a special cash dividend may be ranked, with the value of the distribution excluded from their stock performance.

This year our stock market table includes 1991 earnings estimates. These figures come from the Institutional Brokers Estimate System, a service of the New York brokerage firm Lynch, Jones & Ryan. ■

THE BEST COMPANIES OF 1985-90

Company	5-year price change	Recent price
Blockbuster Entertainment	3060.5%	22¼
Home Depot	851.9	35¼
Compaq Computer	679.3	51⅜
Gap	582.5	30½
Jacobs Engineering	532.4	23
Stewart & Stevenson	529.0	32½
Novell	527.4	30
Microsoft	476.1a	69½
LA Gear	451.6a	11⅜
Turner Broadcasting	404.7	11¾
Stride Rite	397.0	25⅝
NIKE	386.8	34⅛
Philip Morris Cos	342.5	48⅞
Schultz Sav-O Stores	330.4	13⅜
Stanhome	321.8	29
Newell Co	320.3	23¼
Intelligent Electronics	312.9b	16
Medtronic	312.6	89¼
Holly Corp	312.3	21⅛
Albertson's	306.2	33
Merry-Go-Round Enterprises	288.4	17⅞
Waste Management	283.1	34
UST Inc	281.4	33¼
Danaher	277.9	14⅞
Federal National Mortgage	276.8	32½

THE WORST COMPANIES OF 1985-90

Company	5-year price change	Recent price
Columbia S&L Association	-99.7%	1/32
United Merchants & Manufacturers	-98.7	¼
American Capital	-98.1	⅛
CrossLand Savings FSB	-97.8	¼
Western Union	-97.7	¼
Ames Department Stores	-97.5	⅝
Enstar Group	-97.4	⅜
MDC Holdings	-97.4	¼
First Executive	-96.9	⅜
Savin	-96.8	⅛
AmeriFirst Bank	-96.6a	¼
LVI Group	-96.4	⅛
TIE/communications	-96.4	¼
Bank of New England	-95.3	1½
Great American Bank	-94.6	¾
Circle K	-94.6	½
Highland Superstores	-93.9	1⅝
Homestead Financial	-93.9	½
US Home	-92.9	⅜
Communications Transmission	-92.0b	½
MAI Systems	-91.5a	15/16
Data General	-91.2	4
Meritor Savings Bank	-90.7	15/16
LTV	-90.7	⅝
Monarch Capital	-90.0	5½

Note: Except as indicated, price change from 12/31/85 to 11/14/90. a: Four year price change. b: Three-year price change.
Sources: Forbes, Media General, via Lotus One Source

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	low	Earnings per share latest 12 mos $	1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
644	AAR Corp	–5.4	10⅞	38	10	1.60	1.62	6.8	0.39	0.48	4.4	11.79	175
93	Abbott Laboratories	150.8	42⅞	46	16	2.14	2.57	20.0	3.15	0.84	2.0	6.16	18,609
375	Acme Steel	39.2a	13¾	26	8	0.92	2.25	14.9	0.16	none	0.0	27.63	73
323	Adia Services	51.2	15½	32	10	1.44	1.74	10.8	0.29	0.16	1.0	13.38	193
1038	Advanced Micro	–83.6	4¾	34	4	–0.10	0.22	def	0.36	none	0.0	7.85	390
296	ADVO-System	57.1a	11	13	4	0.95	1.14	11.6	0.21	none	0.0	3.53	141
801	Aetna Life & Cas	–30.1	37⅜	68	29	5.38	6.07	6.9	0.21	2.76	7.4	61.94	4,165
NR	Affiliated Pubs	NA	7⅛	14	6	0.46	0.45	15.5	0.92	0.24	3.4	2.87	499
696	HF Ahmanson	–13.6	14	29	11	2.51	2.73	5.6	0.30	0.88	6.3	20.22	1,386
NR	Air & Water Tech	NA	18	30	12	–0.39	1.20	def	0.69	none	0.0	3.45	404
175	Air Express Intl	93.5	15	22	7	2.22	2.05	6.8	0.13	none	0.0	8.41	73
283	Air Prods & Chems	61.0	51⅜	61	29	4.15	4.25	12.4	0.99	1.44	2.8	26.23	2,872
220	Airborne Freight	80.6	17⅜	27	6	1.99	2.09	8.7	0.29	0.30	1.7	10.65	326
589	Alaska Air Group	3.9	16¼	31	12	1.82	1.80	9.2	0.22	0.20	1.2	22.08	224
761	Albany International	–23.5b	10⅛	24	8	0.76	0.66	13.3	0.48	0.35	3.5	9.26	255
38	Alberto-Culver	240.4	25	28	7	1.30	1.48	19.2	0.90	0.20	0.8	6.11	713
20	Albertson's	306.2	33	38	8	1.65	1.99	20.0	0.55	0.48	1.5	6.94	4,413
384	Alcan Aluminium	37.7	17¼	25	12	2.07	1.97	8.6	0.46	1.12	6.3	20.13	3,978
238	Alco Standard	73.1	33	38	15	2.56	3.55	12.9	0.31	0.88	2.7	14.76	1,347
809	Alexander & Alexander	–32.3	22½	42	16	1.19	1.65	18.9	0.70	1.00	4.4	9.28	913
358	Alexander & Baldwin	43.9	20½	39	14	2.36	2.49	8.7	1.34	0.88	4.3	13.13	946
836	Alexander's	–37.0	24½	77	21	–0.79	NA	def	0.26	none	0.0	20.88	122
439	Alleghany	27.5a	79½	106	57	10.33	8.00	7.7	0.38	none	0.0	93.92	523
396	Allegheny Ludlum	35.5b	22¼	34	10	2.73	2.86	8.1	0.70	0.88	4.0	9.80	744
537	Allegheny Power	12.1	37⅛	54	31	3.60	3.87	10.3	0.85	3.16	8.5	29.98	1,972
863	Allen Group	–41.9	12⅜	27	6	1.38	1.49	9.0	0.29	none	0.0	12.59	104
NR	Allergan	NA	14¼	26	12	0.68	1.33	21.0	1.13	0.28	2.0	7.10	962
1032	Allied Products	–79.9	4¾	46	3	–5.11	–0.44	def	0.05	none	0.0	19.82	25
870	Allied-Signal	–42.8	26¼	55	25	3.32	3.39	8.1	0.30	1.80	6.7	23.53	3,700
104	Alltel	137.4	31⅛	42	13	2.24	2.53	13.9	1.61	1.40	4.5	13.30	2,513
389	Alcoa	36.7	52⅜	80	33	6.89	7.41	7.6	0.42	3.00	5.7	59.41	4,539
989	AM International	–70.8	1¾	9	1	–1.00	0.35	def	0.89	none	0.0	3.34	82
401	AMAX	34.9	18⅜	30	11	2.56	2.91	7.2	0.43	0.80	4.4	23.53	1,611
974	AMC Entertainment	–67.4	3½	16	3	–1.42	0.16	def	0.14	none	0.0	2.71	60
210	Amdahl	83.0	13⅛	28	7	1.49	1.56	9.0	0.69	0.10	0.7	10.80	1,477
217	Amerada Hess	81.2	49⅛	56	17	3.94	3.73	12.5	0.66	0.60	1.2	31.69	3,999
842	America West Airlines	–38.3	6⅝	13	4	–0.92	–0.60	def	0.10	none	0.0	4.72	122
861	American Bankers	–41.6	8¼	17	6	1.66	1.78	5.0	0.16	0.50	6.1	12.18	119
114	American Brands	129.2	37¼	41	16	3.85	4.11	9.8	0.88	1.54	4.1	15.19	7,239
513	American Building	15.0	28¼	42	15	2.40	NA	12.0	0.17	0.94	3.3	17.67	114
1076	American Capital	–98.1	⅛	9	†	–2.71	NA	def	0.01	none	0.0	1.64	3
NR	American Cap & Res	NA	9⅞	15	7	0.63	0.84	15.7	0.32	none	0.0	3.62	172
236	American Cyanamid	73.5	49⅞	62	27	3.51	4.29	14.2	1.04	1.35	2.7	24.30	4,778
489	American Electric	19.6	28¼	33	23	2.98	3.18	9.5	0.99	2.40	8.5	22.71	5,213
713	American Express	–16.0	22¼	41	18	0.65	3.02	34.2	0.42	0.92	4.1	13.14	10,287
352	American Family	44.8	15	23	10	1.35	1.74	11.1	0.48	0.36	2.4	8.64	1,221
711	American General	–15.4	29½	51	24	4.56	4.01	6.5	0.79	3.20	10.8	40.38	3,527
619	American Greetings	0.0	32⅜	42	13	2.35	2.99	13.9	0.78	0.70	2.1	18.89	1,044
292	American Home Prods	59.0	50	55	31	3.85	4.35	13.0	2.31	2.15	4.3	6.29	15,699
264	American Intl Group	66.9	70¼	90	39	6.82	7.31	10.4	0.99	0.44	0.6	40.34	15,021
434	American Maize	28.2	17⅝	27	10	0.39	3.30	45.2	0.18	0.64	3.6	21.96	87
NR	American Medical	NA	5	9	4	–1.64	NA	def	0.10	none	0.0	6.63	250
759	American Natl Ins	–23.2	29	51	23	3.33	3.72	8.7	0.78	1.72	5.9	57.42	810
230	American Petrofina	76.8	80	90	38	6.22	NA	12.9	0.35	3.20	4.0	68.61	1,238
805	American President	–31.1	13	51	10	–4.02	0.88	def	0.11	0.60	4.6	29.35	248
800	American Stores	–30.1	45¼	86	42	4.40	5.21	10.3	0.07	1.12	2.5	34.86	1,560
400	American Tel & Tel	35.0	33⅛	47	21	2.52	2.81	13.4	1.01	1.32	3.9	11.84	36,757
654	American Water Works	–6.6	15	26	13	1.57	1.90	9.6	0.83	0.80	5.3	19.55	459
1068	AmeriFirst Bank	–96.6a	¼	20	†	–7.19	NA	def	0.01	none	0.0	7.12	3
203	Ameritech	84.9	65⅛	68	33	4.86	5.09	13.5	1.64	3.16	4.8	30.91	17,329
827	Ameritrust	–35.9	11⅜	29	9	0.14	2.76	81.3	0.33	0.64	5.6	21.13	425
328	Ameron	50.0	36	53	22	3.37	NA	10.7	0.33	1.28	3.6	35.07	144
1073	Ames Dept Stores	–97.5	⅛	[illegible]	†	–21.00	0.24	def	0.01	none	0.0	7.60	24
824	Ametek	–35.4	9⅛	20	8	0.83	1.04	11.0	0.63	0.64	7.0	4.40	404

Note: Except as indicated, price changes are from Dec. 31, 1985 to Nov. 14, 1990. †: Less than $1. NR: Not ranked because of merger, spinoff, reorganization, new issue or conversion to stock company. Range is for period since such change. a: Four-year price change. b: Three-year price change. c: Does not reflect special cash dividend paid. NA: Not available. NM: Not meaningful. def: Deficit.

Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
262	Amoco	67.7	51⅞	60	27	3.32	4.26	15.6	1.03	2.04	3.9	26.75	26,343
502	AMP	17.7	42⅜	72	33	2.72	3.06	15.6	1.53	1.36	3.2	15.26	4,516
944	Ampco-Pittsburgh	–57.5	6	19	5	0.79	NA	7.6	0.26	0.30	5.0	13.20	57
501	AMR	18.1	48⅞	108	27	3.37	3.18	14.5	0.27	none	0.0	60.54	3,045
765	AmSouth Bancorp	–24.3	19⅞	39	17	2.54	3.38	7.8	0.54	1.44	7.2	23.25	485
813	Anacomp	–33.3	2¼	12	1	–4.34	0.49	def	0.13	none	0.0	–1.36	86
987	Analog Devices	–70.3	5⅞	25	6	0.24	0.63	24.5	0.61	none	0.0	7.58	279
1010	Anchor Savings Bank	–74.7b	1¼	13	1	–8.98	NA	def	0.02	none	0.0	6.88	22
193	Anheuser-Busch Cos	88.8	39⅞	46	20	2.91	3.28	13.7	1.08	1.00	2.5	12.72	11,231
478	Aon	21.5	31⅛	43	21	3.70	4.18	8.4	0.81	1.52	4.9	22.50	2,011
243	Apogee Enterprises	72.5	16½	20	8	1.19	1.65	13.9	0.38	0.24	1.5	7.11	226
40	Apple Computer	236.4	37	59	11	3.77	4.10	9.8	0.80	0.48	1.3	11.77	4,432
179	Applied Materials	92.8	20	41	8	2.50	2.36	8.0	0.57	none	0.0	15.70	326
174	Applied Power	93.8b	15½	27	5	1.48	1.86	10.5	0.44	0.12	0.8	6.89	197
89	Archer Daniels	152.7	22⅞	26	9	1.59	1.85	14.4	0.85	0.10	0.4	11.99	6,793
156	Arden Group	104.3	47	73	19	7.50	NA	6.3	0.21	none	0.0	27.10	71
71	Argonaut Group	171.4a	57	78	20	8.70	9.38	6.6	0.85	1.60	2.8	50.35	511
487	Arkla	19.9	21⅛	28	16	1.23	1.58	17.2	0.78	1.08	5.1	7.76	1,835
933	Armco	–55.9	4⅛	15	4	–0.78	0.58	def	0.21	0.40	9.7	11.06	365
581	Armstrong World Inds	5.3	23½	51	18	4.05	2.88	5.8	0.34	1.16	4.9	25.96	872
1008	Arrow Electronics	–74.6	4	17	3	0.40	0.55	10.0	0.05	none	0.0	9.19	48
778	Arvin Industries	–26.9	16	40	13	1.08	1.62	14.8	0.18	0.68	4.3	20.46	301
407	Asarco	33.3	24½	36	10	4.92	3.19	5.0	0.46	1.60	6.5	34.56	1,015
308	Ashland Oil	55.2	29	43	18	3.27	3.43	8.9	0.20	1.00	3.4	20.21	1,681
718	AST Research	–17.5	25⅛	31	7	3.36	2.92	7.6	0.66	none	0.0	12.67	369
994	Atari	–71.7a	2	16	2	0.09	NA	22.2	0.27	none	0.0	1.49	115
904	Guy F Atkinson	–51.3	9⅛	20	9	–0.59	1.00	def	0.09	0.48	5.2	15.51	81
278	Atlanta Gas Light	62.7	30½	32	19	2.02	2.44	15.1	0.67	2.04	6.7	19.39	672
488	Atlantic Energy	19.8	34¼	47	28	3.47	3.77	9.8	1.07	2.96	8.7	28.54	774
158	Atlantic Richfield	103.5	129⅛	142	45	9.15	11.82	14.2	1.28	5.00	3.9	39.09	20,962
208	Automatic Data	83.1	54	60	28	2.95	3.26	18.3	2.18	0.70	1.3	15.27	3,759
623	Avery Dennison	–1.0	18½	33	15	1.57	1.88	11.6	0.45	0.72	3.9	14.69	1,131
780	Avnet	–27.0	25	40	19	1.61	2.11	15.5	0.51	0.60	2.4	21.46	896
601	Avon Products	2.3	28¼	41	19	0.79	3.00	35.8	0.48	1.00	3.5	3.72	1,603
NR	Avondale Industries	NA	3¾	22	3	–1.38	1.70	def	0.08	0.92	24.5	20.74	57
951	Aztar	–60.0	3	11	2	2.16	0.40	1.4	0.25	none	0.0	8.28	122
168	Baker Hughes	97.3b	26⅞	35	11	1.06	2.46	25.4	1.36	0.46	1.7	8.07	3,551
1035	Balfour Maclaine	–82.1a	1¼	14	+	–4.53	NA	def	0.01	none	0.0	4.46	10
668	Ball Corp	–10.1	27¾	49	25	1.94	2.46	14.3	0.45	1.16	4.2	18.93	607
1024	Bally Manufacturing	–78.0	3⅝	30	3	–3.31	0.53	def	0.05	none	0.0	18.65	102
529	Baltimore G&E	13.0	28¼	40	22	2.31	2.92	12.2	1.09	2.10	7.4	24.91	2,347
416	Banc One	31.8	25½	34	15	2.71	3.17	9.4	1.20	1.04	4.1	15.58	4,034
166	Bancorp Hawaii	97.5	42½	57	21	5.40	6.06	7.9	0.79	1.64	3.9	29.22	707
75	Bandag	164.6	78⅞	91	29	5.36	5.95	14.7	2.01	1.10	1.4	14.69	1,142
965	Bank of Boston	–64.6	7⅜	38	6	–3.24	0.14	def	0.08	0.40	5.4	26.51	536
1065	Bank of New England	–95.3	1¼	39	1	–20.79	–1.38	def	0.03	none	0.0	6.17	87
882	Bank of New York	–44.9	18⅞	55	13	4.66	4.44	4.1	0.24	2.12	11.2	34.58	1,313
315	BankAmerica	52.8	23⅞	36	5	3.42	5.23	7.0	0.42	1.00	4.2	23.32	5,053
608	Bankers Trust NY	1.4	37¼	58	26	7.57	7.76	4.9	0.40	2.33	6.3	26.29	3,035
562	Banta	8.4	22½	27	14	1.31	2.38	17.2	0.49	0.56	2.5	15.35	286
313	CR Bard	53.5	16⅞	27	9	0.79	1.04	21.4	1.15	0.44	2.6	6.12	894
662	Barnes Group	–8.2	25¼	41	24	1.89	2.85	13.4	0.28	1.40	5.5	21.96	153
782	Barnett Banks	–27.5	21⅜	42	14	2.62	3.20	8.3	0.42	1.32	6.1	27.01	1,367
NR	Baroid	NA	5⅜	7	5	0.28	0.91	19.2	0.71	0.20	3.7	NA	398
752	Bassett Furniture Inds	–22.0	30½	51	28	1.24	2.63	24.6	0.54	1.25	4.1	32.42	240
181	Bausch & Lomb	91.4	61½	73	31	4.19	4.97	14.7	1.37	1.32	2.1	23.91	1,828
258	Baxter International	68.3	26½	29	15	–0.27	1.97	def	0.85	0.64	2.4	13.87	6,679
900	BayBanks	–50.0	15¼	51	11	–1.93	1.61	def	0.23	1.20	7.6	37.67	252
754	Bear Stearns Cos	–22.4	8½	20	6	1.08	1.04	7.9	0.35	0.56	6.6	10.44	830
650	Bearings	–6.2	15⅜	33	13	1.28	2.52	12.2	0.16	0.64	4.1	19.01	111
NR	Beckman Instruments	NA	13⅞	23	12	1.27	1.45	10.9	0.51	0.28	2.0	9.38	400
109	Becton Dickinson	133.1	72¼	74	31	4.67	6.02	15.5	1.34	1.16	1.6	27.96	2,703
161	Bell Atlantic	100.0	53¼	57	25	2.88	3.85	18.5	1.73	2.36	4.4	23.78	20,907
837	Bell Industries	–37.1	13⅞	23	11	1.43	1.56	9.7	0.20	0.40	2.9	16.35	80

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
279	BellSouth	62.6	53⅛	59	29	3.61	3.86	14.7	1.79	2.68	5.0	27.21	25,605
551	AH Belo	10.5	28⅞	41	21	1.30	1.71	22.2	1.24	0.52	1.8	11.99	540
101	Bemis	142.0	27	38	10	1.94	2.32	13.9	0.63	0.72	2.7	10.45	694
685	Beneficial Corp	–12.6	42⅜	79	29	5.58	6.07	7.6	0.56	2.40	5.7	35.31	949
339	Bergen Brunswig	47.5	26¼	30	8	1.82	2.01	14.4	0.20	0.40	1.5	11.46	873
342	WR Berkley	46.7	33¾	47	20	3.62	4.82	9.3	0.72	0.44	1.3	27.90	400
83	Berkshire Hathaway	158.2	6275	8900	2200	331.13	285.00	19.0	3.15	none	0.0	4297.67	7,191
854	Best Buy Co	–40.5	5¾	23	5	0.72	0.98	8.0	0.08	none	0.0	7.99	48
732	Bethlehem Steel	–20.0	12½	29	5	1.04	1.98	12.0	0.20	0.40	3.2	23.30	948
144	Betz Laboratories	112.5	38¼	40	18	2.03	2.24	18.9	1.92	1.08	2.8	9.07	1,098
935	Beverly Enterprises	–56.7	7⅞	23	4	0.18	0.34	43.8	0.25	none	0.0	6.29	520
918	Big B	–53.2	7¼	19	5	–0.41	0.49	def	0.12	none	0.0	9.27	54
517	Bindley Western Inds	14.5	10⅞	17	6	0.71	1.07	15.3	0.04	0.06	0.6	7.84	68
347	Birmingham Steel	45.5	12	30	8	1.14	1.95	10.5	0.33	0.50	4.2	12.38	145
911	Black & Decker	–52.3	10¼	27	8	1.38	1.59	7.4	0.15	0.40	3.9	12.24	631
587	Blair	3.9	29¾	43	20	3.91	4.30	7.6	0.58	0.60	2.0	12.21	272
123	H&R Block	121.5	42⅝	43	18	2.29	2.97	18.6	2.12	1.56	3.7	9.53	2,250
200	Block Drug	85.8	33¼	37	18	2.74	NA	12.2	1.29	0.80	2.4	19.43	603
1	Blockbuster	3060.5	22¼	26	+	0.80	1.24	27.8	2.79	none	0.0	2.90	1,630
885	Blount	–45.1	8⅜	21	7	1.03	NA	8.1	0.09	0.45	5.4	13.18	63
719	Boatmen's Bancshares	–17.7	30⅛	47	25	3.84	4.27	7.8	0.69	2.12	7.0	31.33	1,045
610	Bob Evans Farms	1.3	12⅜	20	11	0.87	1.14	14.2	0.85	0.26	2.1	6.93	399
160	Boeing	101.9	46⅞	62	15	3.32	5.04	14.1	0.64	1.00	2.1	17.73	16,244
667	Boise Cascade	–9.1	25⅝	52	20	2.86	1.68	9.0	0.23	1.52	5.9	43.07	975
241	Borden	72.9	29¾	39	15	2.44	2.83	12.2	0.57	1.06	3.6	11.12	4,401
714	Boston Edison	–16.6	19⅛	28	13	–0.93	1.94	def	0.60	1.52	7.9	16.68	741
755	Bowater	–22.8	19	45	16	2.68	2.07	7.1	0.48	1.20	6.3	25.81	675
702	Briggs & Stratton	–14.0	26	42	20	2.74	2.51	9.5	0.38	1.60	6.2	18.76	376
189	Bristol-Myers Squibb	89.4	62¾	66	28	1.84	3.98	34.1	3.32	2.12	3.4	9.67	32,981
NR	Broad	NA	4	13	4	1.02	1.84	3.9	0.15	0.20	5.0	11.34	129
403	Brooklyn Union Gas	34.3	27⅞	32	19	2.14	2.63	14.0	0.74	1.84	6.2	20.04	733
134	Brown-Forman	116.1	67	92	27	3.11	6.11	21.5	1.79	2.08	3.1	20.86	1,875
819	Brown Group	–34.4	22⅛	44	20	1.97	2.61	11.2	0.21	1.60	7.2	19.39	386
353	Browning-Ferris Inds	44.6	23⅛	49	15	–0.29	2.14	def	1.18	0.64	2.8	8.33	3,492
255	Bruno's	68.6	14½	17	7	0.77	0.88	19.2	0.49	0.18	1.2	4.13	1,204
739	Brunswick	–20.9	8⅝	30	6	0.93	0.72	9.3	0.30	0.44	5.1	9.92	762
763	Burlington Coat	–24.0	9½	23	8	1.36	1.49	7.0	0.21	none	0.0	12.30	169
NR	Burlington Northern	NA	27⅛	39	21	3.45	3.54	7.9	0.44	1.20	4.4	14.33	2,053
NR	Burlington Resources	NA	43	54	23	1.56	1.79	27.6	3.31	0.70	1.6	22.08	6,017
1019	Businessland	–77.0	1¾	18	1	–1.61	–0.57	def	0.04	none	0.0	5.91	52
906	Butler Manufacturing	–51.5c	15⅓	45	14	1.48	2.15	10.6	0.12	none	0.0	9.27	71
784	Cablevision Systems	–27.8a	13⅝	47	10	–12.64	NA	def	0.56	none	0.0	–19.82	305
554	Cabot	10.3	28⅛	49	23	2.73	3.13	10.3	0.41	1.04	3.7	21.39	692
693	Caesars World	–13.3	13⅞	43	10	1.41	1.64	9.8	0.38	none	0.0	10.93	331
1046	CalFed	–86.7	3⅛	42	2	–4.07	1.70	def	0.04	0.12	3.3	56.76	91
327	CalMat	50.4	21¼	46	13	3.70	2.05	5.7	1.06	0.64	3.0	17.43	499
145	Campbell Soup	112.2	52⅜	62	22	0.21	2.96	249.4	1.08	1.16	2.2	13.09	6,801
701	C&S/Sovran	–13.9	17¾	36	15	2.55	3.18	7.0	0.45	1.56	8.8	22.34	2,353
231	Capital Cities/ABC	75.5	394	633	208	28.73	31.19	13.7	1.28	0.20	0.1	187.74	6,818
535	Capital Holding	12.3	33	54	24	3.84	5.71	8.6	0.61	1.20	3.6	29.61	1,525
86	Cardinal Distribution	154.9	23¾	25	6	1.11	1.50	21.4	0.32	0.08	0.3	9.42	316
499	Carl Karcher	18.2	6½	18	5	0.32	1.13	20.3	0.23	0.08	1.2	3.72	119
753	Carlisle Cos	–22.2	26⅜	44	22	2.71	3.36	9.8	0.36	1.24	4.7	25.86	215
469	Carnival Cruise Lines	22.9b	14⅓	26	8	1.55	1.72	9.5	1.52	0.48	3.3	6.63	2,010
957	Carolina Freight	–61.7	11	43	11	–0.29	1.41	def	0.10	0.60	5.5	19.66	72
329	Carolina Power & Lt	49.8	45⅛	48	28	3.36	4.34	13.4	1.42	2.92	6.5	31.18	3,627
545	Carpenter Technology	11.3	38⅛	57	29	4.95	5.07	7.7	0.57	2.40	6.3	36.43	328
978	Carter Hawley Hale	–69.1b	2¾	15	2	–0.37	0.41	def	0.03	none	0.0	–6.49	77
155	Carter-Wallace	104.7	49⅛	76	24	3.40	4.21	14.5	1.28	0.92	1.9	22.54	760
858	Casey's General Store	–41.0	5⅜	20	5	0.73	0.81	7.4	0.12	0.10	1.9	6.95	62
555	AM Castle & Co	10.1	10⅛	17	7	0.80	1.21	12.7	0.15	0.68	6.7	9.66	74
92	Castle & Cooke	151.0	32⅓	45	12	2.10	2.12	15.5	0.64	none	0.0	14.11	1,936
588	Caterpillar	3.9	43¾	75	37	3.02	3.18	14.4	0.39	1.20	2.8	44.11	4,425
178	CBI Industries	93.1	38⅜	44	16	2.29	2.56	16.8	0.48	0.60	1.6	22.92	748

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
363	CBS	42.5	165¼	226	110	12.69	9.55	13.0	1.22	4.40	2.7	105.37	3,909
500	CDI	18.2	6⅝	19	4	0.69	0.93	9.6	0.14	none	0.0	5.20	131
125	Centel	120.6	30⅞	45	13	3.25	0.90	9.5	2.00	0.85	2.8	12.79	2,587
740	Centerior Energy	–20.9a	18	28	12	1.56	1.95	11.5	1.06	1.60	8.9	19.99	2,495
645	Centex	–5.4	24	44	15	4.01	3.35	6.0	0.16	0.40	1.7	29.71	362
291	Central & So West	59.1	43¾	45	27	3.73	3.86	11.7	1.53	2.76	6.3	28.13	4,117
768	Central Hudson G&E	–24.6	22⅝	40	17	2.39	2.53	9.5	0.68	1.84	8.1	21.76	337
447	Central Maine Power	26.3	18	21	13	1.81	2.05	9.9	0.68	1.56	8.7	16.05	517
NR	Central Newspapers	NA	17	26	14	1.22	1.12	13.9	1.03	0.40	2.4	9.74	450
272	Central Steel & Wire	64.4	600	675	350	53.89	NA	11.1	0.33	31.50	5.3	510.85	177
622	Champion Intl	–0.5	24¼	45	23	2.97	2.13	8.3	0.45	1.10	4.4	38.56	2,301
717	Charming Shoppes	–17.5	9⅜	37	7	0.72	0.93	13.4	0.55	0.12	1.2	5.25	481
257	Charter	68.4	4	6	2	–0.32	0.50	def	0.33	0.05	1.3	2.99	187
980	Chase Manhattan	–69.3	11⅛	50	10	–2.67	2.95	def	0.10	1.20	10.8	36.40	1,410
844	Chemed	–39.0	20⅛	45	19	1.96	2.31	10.3	0.35	1.96	9.7	16.53	210
999	Chemical Banking	–72.7	12⅜	56	10	3.29	2.81	3.8	0.14	1.00	8.1	34.53	1,121
612	Chesapeake	1.0	13¼	27	13	1.23	1.33	10.7	0.32	0.72	5.5	15.27	270
221	Chevron	80.3	68¾	82	32	1.72	5.89	40.0	0.72	3.10	4.5	42.19	24,306
692	Child World	–13.2	10⅝	20	8	0.01	NA	1063.0	0.14	none	0.0	18.69	121
53	Chiquita Brands Intl	205.4	28¼	31	7	2.06	2.54	13.7	0.25	0.40	1.4	11.94	1,071
875	Chrysler	–43.9	11⅝	48	9	–2.66	0.69	def	0.09	1.20	10.3	32.49	2,621
225	Chubb	78.6	49	51	25	5.48	5.54	8.9	0.97	1.32	2.7	32.62	4,067
856	Cigna	–40.9	38	77	33	5.10	5.49	7.5	0.17	3.04	8.0	70.59	2,916
446	CILcorp	26.4	34⅛	43	27	2.84	3.24	12.0	0.84	2.46	7.2	25.77	431
39	Cincinnati Bell	240.2	23½	35	7	1.40	1.65	16.8	1.48	0.76	3.2	9.14	1,417
390	Cincinnati Financial	36.6	77¼	90	37	7.60	8.76	10.2	1.24	2.44	3.1	62.65	1,276
399	Cincinnati G&E	35.1	29⅞	32	20	4.17	3.68	7.2	1.05	2.40	8.0	25.06	1,541
884	Cincinnati Milacron	–45.1	9¼	35	9	0.26	0.99	37.5	0.32	0.72	7.4	9.07	267
556	Cipsco	10.1	21⅞	31	20	1.99	2.17	11.0	1.23	1.84	8.4	17.52	748
1063	Circle K	–94.6	½	19	+	–18.33	NA	def	0.01	none	0.0	–7.67	25
192	Circuit City Stores	88.9	11¾	29	6	1.77	1.87	6.6	0.24	0.10	0.9	7.83	540
52	Circus Circus	206.0	44¾	71	13	2.49	4.02	18.0	2.26	none	0.0	5.63	1,277
874	Citicorp	–43.3	14	36	11	–0.65	2.46	def	0.12	1.78	12.7	25.36	4,610
646	Clark Equipment	–5.4	23⅞	47	16	3.60	3.44	6.6	0.28	none	0.0	31.98	412
354	Clorox	44.4	34⅛	45	22	2.70	2.63	12.7	1.23	1.44	4.2	15.00	1,868
32	CMS Energy	255.1	26⅜	40	8	2.69	3.84	9.9	0.73	0.48	1.8	23.97	2,171
669	CNA Financial	–10.5	57¼	109	47	5.62	5.56	10.3	0.37	none	0.0	64.74	3,571
1000	Coachmen Industries	–72.9	3⅜	23	4	–0.46	–0.13	def	0.10	0.08	2.2	9.27	27
992	Coast Savings Finl	–71.4	4	22	2	–3.54	1.38	def	0.05	0.40	10.0	14.86	61
153	Coastal Corp	107.0	36	40	10	1.97	2.75	18.3	0.43	0.40	1.1	17.19	3,724
45	Coca-Cola	222.2	45⅜	48	13	2.70	2.37	16.8	3.05	0.80	1.8	4.73	30,294
606	Coca-Cola Enterprises	1.8a	14½	21	11	0.60	0.70	24.2	0.44	0.05	0.3	11.62	1,745
146	Colgate-Palmolive	111.5	69¼	74	28	4.41	5.16	15.7	0.83	1.80	2.6	20.99	4,566
605	Collins Foods Intl	1.8	14	24	10	1.32	1.71	10.6	0.53	0.20	1.4	11.20	317
470	Columbia Gas System	22.8	48½	57	27	2.54	3.35	19.1	0.79	2.20	4.5	35.50	2,317
1078	Columbia S&L Assn	–99.7	1/32	17	+	–57.65	NA	def	0.00	none	0.0	2.72	1
273	Comcast	64.1	10⅞	20	6	–1.64	–1.37	def	1.91	0.12	1.1	1.49	1,227
695	Comdisco	–13.5	16½	37	12	2.09	2.50	7.9	0.34	0.28	1.7	13.65	664
421	Comerica	30.5	39¼	59	26	7.49	7.97	5.2	0.50	2.60	6.6	40.29	649
366	Commerce Bcshs	41.1	22⅛	29	13	3.02	3.29	7.3	0.72	0.72	3.3	22.31	424
659	Commerce Clearing	–7.6	45½	71	38	2.02	2.78	22.5	1.15	1.40	3.1	12.11	808
1018	Commercial Federal	–76.9	2¼	19	2	–6.21	–4.95	def	0.04	none	0.0	20.36	19
575	Commercial Intertech	6.7	12	29	11	0.89	2.00	13.5	0.27	0.68	5.7	13.64	119
382	Commercial Metals	38.6	17¼	24	11	2.27	2.34	7.6	0.17	0.52	3.0	16.91	196
514	Commonwealth Ed	14.9	33¼	41	23	–0.01	3.32	def	1.36	3.00	8.9	32.46	7,157
570	Commonwealth Energy	7.3	33	46	25	3.24	3.74	10.2	0.39	2.92	8.8	31.87	323
802	Commtron	–30.4a	6	12	2	0.90	1.00	6.7	0.11	none	0.0	5.37	61
1059	Communications Trans	–92.0b	½	12	+	–6.44	NA	def	0.01	none	0.0	–4.94	6
3	Compaq Computer	679.3	51⅜	68	6	4.55	5.49	11.4	1.20	none	0.0	14.92	4,075
234	Computer Associates	74.4	7⅝	22	4	0.91	1.07	8.4	1.12	0.05	0.7	5.31	1,425
388	Computer Sciences	37.0	45⅞	73	30	4.11	4.49	11.2	0.45	none	0.0	28.77	731
97	ConAgra	147.1	35	36	13	1.92	2.57	18.2	0.29	0.69	2.0	8.92	4,704
NR	Conner Peripherals	NA	25¾	31	7	2.03	3.18	12.5	1.24	none	0.0	5.04	1,424
43	Conseco	229.6	25⅛	29	7	4.29	5.42	5.9	0.20	0.24	1.0	17.21	143

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
509	Consolidated Edison	16.5	23	30	19	2.27	2.43	10.1	0.91	1.82	7.9	19.16	5,248
890	Consol Freightways	-47.2	14	41	11	-1.97	1.43	def	0.12	none	0.0	20.73	490
205	Consol Natural Gas	84.2	46⅓	53	22	1.91	2.82	24.5	1.41	1.84	3.9	20.26	4,023
506	Consolidated Papers	16.8	31¼	46	24	3.59	3.21	8.7	1.42	1.28	4.1	19.17	1,363
437	Consolidated Rail	27.6b	35½	51	20	2.23	4.69	15.8	0.44	1.60	4.5	60.24	1,469
930	Consolidated Stores	-55.2	3½	24	2	-0.19	0.47	def	0.25	none	0.0	3.18	159
748	Constar Intl	-21.6	15⅜	34	12	1.97	2.46	7.8	0.22	0.64	4.2	17.63	113
78	Contel	163.4	33⅓	37	13	1.33	1.46	25.4	1.59	1.10	3.3	10.46	5,351
1023	Continental Airlines	-77.5	3⅜	52	2	-12.03	-1.17	def	0.02	none	0.0	-24.51	143
1005	Continental Bank	-74.1	10½	41	7	-0.98	2.05	def	0.18	1.00	9.8	24.42	509
896	Continental Corp	-49.5	23⅓	55	16	2.87	0.93	8.3	0.22	2.60	10.9	42.21	1,286
899	Control Data	-50.0	10¾	38	8	-3.98	1.59	def	0.25	none	0.0	9.43	441
202	Cooper Industries	85.1	38⅞	46	18	2.73	3.17	14.2	0.71	1.08	2.8	22.71	4,262
34	Cooper Tire & Rubber	248.5	16⅞	21	4	1.58	1.76	10.7	0.78	0.24	1.4	7.54	696
656	Adolph Coors	-6.9	20½	32	16	0.98	1.94	20.5	0.39	0.50	2.5	28.75	749
655	CoreStates Financial	-6.7	29¾	50	23	4.67	5.30	6.4	0.67	1.92	6.5	25.64	1,619
419	Corning	30.8	40⅜	52	17	3.06	3.06	13.2	1.36	1.13	2.8	18.85	3,779
26	Costco Wholesale	272.3	43½	48	6	1.40	1.92	31.3	0.37	none	0.0	7.82	1,513
47	CPC International	217.2	80⅞	85	23	4.68	5.48	17.3	1.10	2.00	2.5	18.22	6,100
NR	Crane	NA	21¼	28	15	1.87	2.14	11.4	0.47	0.75	3.5	8.92	676
942	Cray Research	-57.4	27⅞	136	20	4.59	4.39	6.1	0.87	none	0.0	21.11	767
796	Crestar Financial	-29.5	16⅛	36	12	2.73	3.21	5.9	0.41	1.32	8.2	22.78	503
1047	Cross & Trecker	-87.3	2⅞	28	2	-1.02	0.16	def	0.08	none	0.0	9.31	36
1075	CrossLand Savings FSB	-97.8	⅛	24	+	-23.48	NA	def	0.00	none	0.0	20.90	4
455	Crown Central Pet	25.0	22½	42	12	2.18	3.79	10.3	0.11	0.80	3.6	31.17	221
206	Crown Cork & Seal	84.1	55	67	26	3.69	4.70	14.9	0.59	none	0.0	28.21	1,589
102	CRSS	138.9	11¼	22	4	1.17	1.21	9.7	0.33	0.12	1.1	9.04	160
684	Crystal Brands	-12.6	19⅞	38	13	2.32	3.64	8.6	0.21	0.20	1.0	26.19	181
630	CSX	-3.3	29¼	42	22	4.08	3.81	7.2	0.36	1.40	4.8	33.22	2,876
969	Culbro	-65.5	14⅛	59	14	1.09	NA	13.0	0.06	0.80	5.7	28.78	61
907	Cummins Engine	-51.6	34⅞	95	31	-5.76	-0.32	def	0.10	2.20	6.3	54.09	357
431	Curtice Burns Foods	29.1	15⅝	29	11	0.69	1.25	22.5	0.14	0.64	4.1	12.17	133
941	Cyclops Industries	-57.4b	10½	50	10	-0.36	1.95	def	0.06	none	0.0	10.37	76
418	Cyprus Minerals	30.8	14½	33	10	3.06	2.52	4.7	0.32	0.80	5.5	29.88	588
971	Dairy Mart	-66.6	4⅝	15	5	0.59	1.10	7.8	0.04	none	0.0	7.30	20
706	Dana	-14.2	23⅜	54	20	2.26	2.92	10.3	0.18	1.60	6.8	24.93	958
24	Danaher	277.9	14⅞	24	4	2.43	2.02	6.1	0.55	none	0.0	8.27	432
857	Dart Group	-41.0	69	179	59	6.36	NA	10.8	0.12	0.13	0.2	151.80	120
1057	Data General	-91.2	4	49	4	-4.65	-0.46	def	0.10	none	0.0	17.68	121
992	Datapoint	-71.4	1½	9	+	-9.72	NA	def	0.06	none	0.0	-1.58	15
531	Dayton Hudson	12.8	51¼	80	22	5.50	6.31	9.4	0.26	1.32	2.6	28.33	3,670
374	Dean Foods	39.3	39¼	39	23	2.39	2.99	16.4	0.51	0.74	1.9	13.39	1,063
277	Deere & Co	63.1	46⅞	78	22	5.81	5.03	8.1	0.46	2.00	4.3	36.76	3,562
383	Delchamps	38.1	24	30	13	1.93	2.10	12.4	0.18	0.44	1.8	14.75	171
633	Delmarva Power & Lt	-3.8	17⅞	25	16	1.69	1.86	10.6	1.04	1.54	8.6	13.67	852
332	Delta Air Lines	49.1	58⅛	86	32	1.99	0.26	29.2	0.31	1.20	2.1	59.48	2,679
847	Delta Woodside Inds	-39.3b	4¼	18	4	0.24	1.03	17.7	0.16	0.30	7.1	6.81	80
365	Deluxe	41.2	33	42	20	1.97	2.30	16.8	2.02	1.16	3.5	7.40	2,799
485	DeSoto	20.2	42⅜	53	21	1.40	NA	30.3	0.40	0.40	0.9	21.20	172
227	Detroit Edison	78.0	28¼	30	12	3.10	3.18	9.1	1.26	1.78	6.3	16.14	4,150
571	Dexter	7.2	18½	35	17	1.69	1.98	10.9	0.51	0.88	4.8	13.14	447
107	Diamond Shamrock	135.8b	20¾	29	7	2.99	2.40	6.9	0.21	0.48	2.3	14.10	509
381	Dibrell Brothers	38.6	17½	29	10	1.88	2.67	9.3	0.15	0.80	4.6	12.29	116
721	Diebold	-18.1	33⅞	61	30	2.18	3.23	15.5	0.94	1.50	4.4	28.75	448
743	Digital Equipment	-21.1	52¼	200	46	-0.40	4.21	def	0.49	none	0.0	66.76	6,376
120	Dillard Dept Stores	122.3	83⅜	96	24	4.99	6.21	16.7	0.83	0.20	0.2	30.68	2,876
1037	Dime Savings Bank FSB	-83.4a	3	26	2	-9.86	1.04	def	0.06	none	0.0	27.66	68
41	Walt Disney	236.2	94⅞	137	28	6.00	8.19	15.8	2.20	0.58	0.6	22.50	12,827
265	Diversified Energies	66.3	33⅞	39	20	0.58	2.38	58.4	0.72	1.60	4.7	15.93	545
251	Dixie Yarns	70.0	9⅛	34	5	0.73	1.01	12.5	0.16	0.68	7.4	18.70	88
940	Dollar General	-57.4	8⅜	24	5	0.71	1.04	12.2	0.25	0.20	2.3	6.59	158
920	Dominion Bankshares	-53.4	8¼	26	7	0.37	1.80	22.3	0.28	0.88	10.7	16.14	311
406	Dominion Resources	33.8	47½	52	34	4.88	4.52	9.7	1.32	3.44	7.2	34.00	4,825
164	Donaldson	98.2	27⅛	35	11	2.17	2.43	12.5	0.62	0.44	1.6	15.04	261

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518	RR Donnelley & Sons	14.4	36⅜	53	26	2.90	3.30	12.5	0.86	0.96	2.6	18.56	2,830
835	Douglas & Lomason	–36.8	10½	27	10	1.47	NA	7.1	0.05	none	0.0	20.52	23
260	Dover	67.8	33⅞	41	19	2.53	2.76	13.4	0.96	0.80	2.4	12.00	2,087
268	Dow Chemical	65.6	45¼	76	27	5.68	4.26	8.0	0.65	2.60	5.7	29.88	12,203
787	Dow Jones	–28.6	22½	56	18	1.23	1.28	18.3	1.32	0.76	3.4	13.94	2,266
385	DPL	37.2	18¾	21	13	2.18	2.12	8.6	1.33	1.56	8.3	14.76	1,282
336	DQE	48.5	24⅛	25	11	2.23	2.30	10.8	1.16	1.44	6.0	19.27	1,323
774	Dravo	–26.1	12⅜	23	9	0.95	1.30	13.0	0.63	none	0.0	7.31	185
148	Dresser Industries	109.6	19	28	7	1.26	1.68	15.1	0.62	0.60	3.2	11.88	2,584
NR	Drug Emporium	NA	7½	16	6	0.63	0.81	11.9	0.18	0.12	1.6	4.22	97
838	DSC Communications	–37.4	5⅝	17	4	0.76	0.99	7.4	0.46	none	0.0	6.32	227
302	EI du Pont de Nemours	55.8	35¼	44	20	3.42	3.56	10.3	0.64	1.68	4.8	22.71	23,811
250	Duke Power	70.3	30⅛	32	17	2.61	2.65	11.5	1.64	1.64	5.4	18.05	6,103
635	Dun & Bradstreet	–4.2	40⅛	72	36	2.78	3.00	14.4	1.57	2.12	5.3	11.80	7,323
152	Durr-Fillauer	107.1	25⅜	27	7	1.64	1.88	15.6	0.33	0.30	1.2	11.13	257
190	DWG	89.2	3⅛	16	1	–0.46	NA	def	0.07	none	0.0	4.20	87
932	Dynatech	–55.8	15¼	43	12	1.62	1.95	9.4	0.31	none	0.0	14.08	144
566	E-Systems	8.0	32	41	23	2.65	3.41	12.1	0.56	0.75	2.3	18.08	996
NR	Eagle Food Centers	NA	5	20	5	0.74	1.05	6.8	0.05	none	0.0	5.12	58
1049	Eagle-Picher Inds	–88.3	3½	53	2	4.52	2.85	0.8	0.05	none	0.0	–19.96	38
525	Eastern Enterprises	13.4	27½	35	19	2.76	2.91	10.0	0.68	1.40	5.1	21.45	639
460	Eastman Kodak	24.4	42	71	31	0.97	4.35	43.3	0.73	2.00	4.8	20.48	13,626
596	Eaton	2.9	44	72	37	5.45	5.01	8.1	0.44	2.20	5.0	34.94	1,585
760	Echlin	–23.5	11	25	9	0.85	1.00	12.9	0.38	0.70	6.4	11.48	614
584	Ecolab	4.9	21⅝	36	17	0.58	2.17	37.3	0.37	0.66	3.1	17.30	509
533	Edison Bros Stores	12.6	19½	49	11	3.20	3.48	6.1	0.38	1.04	5.3	12.01	435
690	AG Edwards	–13.0	18¼	35	13	2.46	2.38	7.4	0.64	0.68	3.7	15.13	412
694	EG&G	–13.4	33¼	45	27	2.52	3.00	13.2	0.42	0.84	2.5	12.04	964
NR	Egghead	NA	9½	21	7	0.34	0.72	27.9	0.31	none	0.0	6.01	156
1011	El Paso Electric	–75.0	3⅞	22	4	–2.00	0.49	def	0.31	none	0.0	11.48	137
NR	Eljer Industries	NA	5⅞	35	5	0.78	1.50	7.5	0.09	0.28	4.8	12.86	42
433	Emerson Electric	28.8	34⅞	44	26	2.75	2.96	12.7	1.03	1.32	3.8	13.79	7,778
881	Emerson Radio	–44.8	2⅜	13	2	–0.08	0.45	def	0.11	none	0.0	2.66	85
510	Engelhard	16.0	18¾	29	15	–2.15	1.92	def	0.29	0.68	3.6	14.29	840
413	Enron	32.2	59½	63	31	4.73	3.05	12.6	0.27	2.48	4.2	31.65	2,998
625	Enserch	–1.1	22	28	13	1.08	1.38	20.4	0.51	0.80	3.6	10.88	1,422
1072	Enstar Group	–97.4	⅜	19	+	0.12	0.13	2.8	0.04	none	0.0	4.56	18
154	Entergy	105.9	21⅞	24	8	2.11	2.28	10.4	1.03	1.20	5.5	20.68	4,064
350	Equifax	45.1	14⅜	22	9	0.82	1.21	17.5	0.79	0.48	3.3	5.03	708
661	Equitable of Iowa	–7.9	15½	36	15	3.24	4.80	4.8	0.17	1.20	7.7	38.67	110
338	Equitable Resources	47.6	38⅛	47	22	2.35	3.10	16.2	1.27	1.42	3.7	24.03	796
746	ERLY Industries	–21.4	5	12	4	0.88	NA	5.7	0.04	none	0.0	4.15	15
NR	ESCO Electronics	NA	4⅜	6	3	0.29	NA	15.1	0.09	none	0.0	40.55	49
246	Ethyl	71.6	23⅜	33	14	1.92	2.11	12.2	1.12	0.60	2.6	7.53	2,788
820	Everex Systems	–34.6b	4¼	14	3	1.03	0.97	4.1	0.23	none	0.0	5.97	100
214	Exxon	82.3	50¼	55	24	3.10	4.38	16.2	0.64	2.68	5.3	24.67	62,665
454	Fairchild	25.4	7	17	4	0.79	1.55	8.9	0.17	none	0.0	7.01	114
921	Family Dollar Stores	–53.4	9½	28	7	1.04	1.18	9.1	0.30	0.40	4.2	6.46	264
603	Fay's	2.0	7⅜	15	4	0.70	0.95	10.5	0.18	0.20	2.7	4.44	114
867	Federal Express	–42.5	34⅞	76	32	2.41	4.32	14.5	0.25	none	0.0	31.03	1,851
826	Federal-Mogul	–35.5	12⅛	30	10	0.63	1.21	19.7	0.25	0.92	7.4	15.00	276
25	Federal Natl Mortgage	276.8	32½	46	8	4.21	5.02	7.7	0.62	0.88	2.7	12.52	7,764
228	Federal Paper Board	77.5	17¼	30	9	3.64	2.19	4.9	0.53	1.00	5.6	17.79	714
70	Federal Signal	171.7	29¾	30	9	1.90	1.97	15.6	1.05	0.66	2.2	8.53	455
215	Ferro	82.1	19½	41	10	1.52	1.82	12.8	0.34	0.64	3.3	17.24	374
73	FHP International	170.1a	13	26	3	1.16	1.53	11.2	0.30	none	0.0	5.67	323
955	Fieldcrest Cannon	–61.3	6¼	43	7	–0.35	0.60	def	0.05	0.40	5.9	27.24	70
444	Figgie Intl	26.7	17	36	13	2.81	2.52	6.0	0.24	0.50	2.9	16.74	319
NR	Finevest Foods	NA	2⅜	14	2	–1.18	0.38	def	0.04	none	0.0	3.80	25
966	First American Corp	–64.8	8⅛	34	5	–2.66	1.14	def	0.25	none	0.0	18.82	189
557	First American Finl	9.9	9¾	18	6	1.03	1.52	9.5	0.13	0.40	4.1	16.06	96
873	First Bank System	–43.1	11⅞	37	10	–0.67	1.87	def	0.34	0.82	6.9	12.62	746
NR	First Brands	NA	15½	29	15	2.21	2.47	7.0	0.31	0.04	0.3	8.74	335
989	First Capital Holding	–70.8	1¾	27	1	1.03	1.20	1.7	0.08	none	0.0	8.38	82

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
855	First Chicago	–40.7	17½	50	13	4.37	3.49	4.0	0.20	2.00	11.4	34.87	1,154
NR	First City Bncp Texas	NA	5⅛	40	3	0.72	1.30	7.1	0.07	1.74	33.9	29.44	93
1070	First Executive	–96.9	¼	20	+	–9.69	0.97	def	0.04	none	0.0	7.56	35
891	First Fidelity Bncp	–47.3	16¼	47	12	–1.51	3.31	def	0.31	1.20	7.4	24.56	950
426	First Financial Mgmt	29.7	17½	39	11	2.49	3.11	7.0	0.40	0.10	0.6	19.07	485
949	First Interstate Bncp	–59.1	21⅜	70	16	–1.66	4.75	def	0.22	3.00	13.9	35.44	1,331
449	First Mississippi	25.9	9⅛	21	5	0.39	0.85	23.4	0.34	0.30	3.3	9.65	179
677	First of America Bank	–11.6	19	28	15	3.07	7.10	6.2	0.49	1.20	6.3	22.37	662
682	First Security	–12.5	19¼	34	18	3.59	3.61	5.4	0.40	1.28	6.6	33.27	264
732	First Tennessee Natl	–20.0	20	36	18	2.98	3.64	6.7	0.44	1.68	8.4	23.89	319
799	First Union	–29.6	15⅛	30	14	2.46	2.99	6.2	0.42	1.08	7.1	19.37	1,625
370	First Wachovia	40.3	39⅓	45	25	4.16	4.51	9.6	1.12	1.68	4.2	25.07	2,781
549	Firstar	10.9	24¼	35	18	4.05	4.31	6.0	0.56	1.32	5.4	23.75	541
807	FirstFed Michigan	–31.8	11	30	9	2.84	2.44	3.9	0.11	0.60	5.5	39.54	122
892	Fleet/Norstar Finl	–48.3	10½	31	9	0.78	1.72	13.5	0.29	0.80	7.6	19.84	1,143
773	Fleetwood Enterprises	–25.6	18⅛	34	14	2.22	2.21	8.2	0.26	0.84	4.6	19.02	404
687	Fleming Cos	–12.8	33⅞	46	22	2.89	3.31	11.7	0.09	1.12	3.3	23.58	1,030
452	Florida Progress	25.6	38⅝	47	29	3.13	3.68	12.3	0.99	2.74	7.1	26.88	1,979
790	Florida Rock Inds	–29.0a	17¾	42	17	2.22	NA	8.0	0.41	0.50	2.8	17.33	164
710	Flowers Industries	–15.3	13⅛	22	12	0.96	1.06	13.7	0.55	0.65	5.0	6.27	457
85	Fluor	155.7	39⅝	49	11	1.67	2.23	23.7	0.44	0.24	0.6	9.03	3,171
112	FMC	130.4	26⅛	60	11	4.45	4.75	6.0	0.26	none	0.0	–2.05	928
28	Food Lion	269.0	13¾	17	3	0.51	0.67	26.2	0.81	0.14	1.0	1.67	4,309
331	Foodarama Supermkts	49.2	22	39	14	2.21	NA	10.0	0.04	none	0.0	27.66	25
317	Ford Motor	52.6	29½	57	18	3.70	4.29	8.0	0.14	3.00	10.2	49.42	13,948
908	Foremost Corp of Amer	–51.6c	15½	44	12	–0.61	2.28	def	0.43	1.08	7.0	15.33	187
913	LB Foster	–52.6	2¼	8	2	0.19	NA	11.8	0.09	none	0.0	4.77	22
226	Foster Wheeler	78.4	22¾	29	10	1.04	1.37	21.9	0.55	0.50	2.2	13.21	806
NR	Foundation Health	NA	11½	15	10	1.61	NA	7.1	0.09	none	0.0	–13.64	79
627	FPL Group	–1.8	27¾	38	24	–2.67	2.97	def	0.61	2.36	8.5	25.89	3,752
201	Freeport-McMoRan	85.4	33⅛	38	14	5.64	2.13	5.9	1.08	2.50	7.5	6.23	1,809
898	Fremont General	–49.7	12¼	34	8	3.56	3.84	3.4	0.17	0.80	6.5	20.33	102
423	Fruit of the Loom	30.0b	6½	16	4	1.50	1.66	4.3	0.28	none	0.0	5.30	401
330	HB Fuller	49.7	26¼	48	17	2.07	2.42	12.9	0.32	0.60	2.2	19.90	247
823	Fuqua Industries	–35.4	12	38	12	0.66	1.40	18.2	0.22	0.36	3.0	18.75	213
543	Gannett	11.4	34⅛	56	26	2.41	2.52	14.2	1.54	1.24	3.6	12.40	5,393
4	Gap	582.5	30½	39	8	1.73	2.13	17.7	1.17	0.50	1.6	4.81	2,161
369	GATX	40.5	23⅞	38	15	3.14	3.84	7.6	0.56	1.10	4.6	21.73	460
NR	Gaylord Container	NA	3⅛	22	3	–1.47	–0.95	def	0.07	none	0.0	11.80	50
244	Geico	72.4	150	163	78	15.19	11.20	9.9	1.16	2.00	1.3	62.48	2,276
1013	GenCorp	–75.7	5½	40	5	0.88	1.16	6.3	0.10	0.60	10.9	4.88	175
628	General Cinema	–2.2	18⅞	32	14	0.85	0.99	22.2	0.62	0.48	2.5	21.06	1,309
970	General Dynamics	–66.0	23⅛	89	19	0.83	6.14	28.2	0.10	1.00	4.3	51.12	974
320	General Electric	51.9	55⅛	76	33	4.74	5.37	11.7	0.86	2.04	3.7	23.09	49,096
984	General Host	–70.0	4⅜	26	4	0.20	0.60	21.9	0.16	0.32	7.3	8.09	83
58	General Mills	194.5	45	48	14	2.42	5.96	18.6	1.10	1.28	2.8	5.97	7,344
526	General Motors	13.3	39⅞	51	25	–0.19	3.71	def	0.19	3.00	7.5	52.26	24,007
249	General Motors EDS	70.7	34⅞	38	12	2.02	2.36	17.3	0.61	0.56	1.6	18.06	3,479
629	GM Hughes Electronics	–3.3	18½	41	16	1.79	1.88	10.3	0.14	0.72	3.9	87.60	1,662
72	General Public Utils	170.6	46	47	17	5.10	5.21	9.0	0.86	2.60	5.7	37.26	2,547
235	General Re	73.5	86⅞	96	46	6.78	7.08	12.8	2.61	1.52	1.7	35.27	7,593
779	General Signal	–26.9	33⅞	61	31	1.41	4.00	24.0	0.37	1.80	5.3	26.50	648
591	Genesco	3.7	3⅝	9	2	0.30	0.72	12.1	0.17	none	0.0	5.19	82
NR	Genlyte Group	NA	4½	14	4	0.79	0.85	5.4	0.11	none	0.0	3.89	55
686	Genovese Drug Stores	–12.8	5⅞	15	6	0.51	NA	11.5	0.09	0.24	4.1	5.38	39
355	Genuine Parts	44.1	36¾	44	24	2.65	2.89	13.8	0.86	1.38	3.8	12.54	2,838
NR	Georgia Gulf	NA	6½	11	5	4.24	1.54	1.5	0.23	none	0.0	13.52	218
424	Georgia-Pacific	29.7	34⅛	62	23	5.38	3.98	6.4	0.24	1.60	4.7	31.35	2,933
74	Gerber Products	167.8	56⅓	59	11	2.75	3.76	20.6	1.83	1.20	2.1	9.87	2,144
834	Getty Petroleum	–36.7	10	25	10	0.93	2.00	10.7	0.11	0.28	2.8	9.32	130
180	Giant Food	92.5	25½	36	12	1.90	2.25	13.4	0.46	0.60	2.4	8.25	1,519
493	Gibson Greetings	18.7	23	29	11	2.48	2.81	9.3	0.72	0.34	1.5	14.41	364
35	Gillette	246.8	60⅓	65	17	2.93	3.84	20.6	1.40	1.08	1.8	6.16	5,835
NR	Gitano Group	NA	13½	40	10	2.24	3.01	6.0	0.24	none	0.0	9.07	191

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
186	PH Glatfelter	90.3	36⅝	49	19	3.54	3.94	10.3	1.41	1.20	3.3	16.26	858
936	GlenFed	–57.1	7½	34	6	3.67	2.34	2.0	0.10	0.60	8.0	38.73	256
293	Golden West Finl	58.1	24½	35	10	2.86	3.34	8.6	0.74	0.18	0.7	16.61	1,548
538	Goldome	12.0b	½	8	+	0.82	NA	0.7	0.01	none	0.0	2.37	16
569	BF Goodrich	7.6	35⅜	69	28	5.55	3.45	6.4	0.37	2.12	6.0	46.73	898
903	Goodyear	–51.2	15¼	77	13	–0.67	1.66	def	0.08	1.80	11.8	37.09	887
595	Goulds Pumps	3.0	17	29	14	0.08	1.61	212.5	0.65	0.76	4.5	8.86	350
652	WR Grace	–6.5	22⅛	39	17	2.46	2.53	9.1	0.29	1.40	6.3	20.16	1,920
298	WW Grainger	57.0	60⅓	78	37	4.57	4.92	13.2	0.87	1.16	1.9	26.88	1,655
1063	Great American Bank	–94.6	⅓	25	+	–14.26	–0.45	def	0.01	none	0.0	15.67	19
282	Great American Mgmt	61.3	25	26	14	3.67	NA	6.8	0.13	0.84	3.4	17.44	278
184	Great A&P Tea	90.3	41⅜	65	19	4.00	4.86	10.4	0.14	0.80	1.9	28.59	1,590
60	Great Lakes Chemical	189.7	56⅛	68	15	3.87	4.42	14.5	1.96	0.48	0.9	16.86	1,970
730	Gt Western Financial	–19.6	11⅛	25	9	0.88	2.39	12.6	0.35	0.84	7.5	15.48	1,436
402	Grey Advertising	34.7	128	192	82	10.99	NA	11.6	0.32	2.90	2.3	83.21	145
789	Greyhound Dial	–29.0	23	46	19	0.38	3.05	60.5	0.26	1.40	6.1	27.57	914
1011	Grossman's	–75.0a	1 15/16	11	2	0.26	0.30	7.5	0.06	none	0.0	4.48	51
703	Grow Group	–14.1	8⅜	16	6	–0.14	NA	def.	0.23	0.10	1.2	5.43	95
888	Grumman	–46.2	17	33	13	2.41	2.40	7.1	0.14	1.00	5.9	24.79	531
196	GTE	88.3	28⅞	36	15	2.23	2.33	13.0	1.05	1.58	5.5	13.08	19,244
798	Guilford Mills	–29.6	15	40	14	–0.92	2.10	def	0.26	0.80	5.3	19.68	138
757	Gulf States Utils	–23.1	10	15	5	–1.02	0.84	def	0.65	none	0.0	17.82	1,081
769	Hadson	–24.8	1⅞	10	1	–4.31	0.22	def	0.13	none	0.0	3.33	71
261	Halliburton	67.7	46⅛	59	17	1.75	2.60	26.4	0.73	1.00	2.2	19.90	4,917
722	Handleman	–18.2	10½	24	6	1.05	1.54	10.0	0.46	0.40	3.8	6.73	344
852	Handy & Harman	–40.1	11	28	10	0.55	1.22	20.0	0.27	0.66	6.0	8.34	154
420	MA Hanna	30.6	17⅝	30	11	1.92	2.07	9.2	0.44	0.60	3.4	19.53	491
98	Hannaford Bros	144.1	32½	41	12	2.09	2.46	15.5	0.39	0.44	1.4	10.96	641
691	Hanover Insurance	–13.1	22⅜	38	21	2.27	2.42	9.9	0.27	0.44	2.0	35.92	462
1040	Harcourt Brace	–83.9b	1⅛	19	+	3.26	–1.54	0.3	0.06	none	0.0	–20.45	82
99	Harken Energy	143.4	2⅛	7	+	–1.28	NA	def	0.08	none	0.0	2.04	70
50	Harley-Davidson	207.2a	16¼	34	4	2.58	2.85	6.3	0.32	none	0.0	8.97	281
821	Harman International	–35.0a	8⅛	24	6	1.32	1.37	6.2	0.12	none	0.0	11.65	71
567	Harnischfeger Inds	7.8	13⅞	30	9	2.06	2.03	6.7	0.26	0.20	1.4	15.90	449
811	Harris Corp	–33.0	18½	43	14	3.08	2.86	5.9	0.24	1.04	5.7	27.02	732
647	Harsco	–5.4	21½	39	18	1.86	2.67	11.7	0.36	1.20	5.5	15.05	570
51	Hartford Steam Boiler	207.2	48	62	16	3.80	3.49	12.6	1.83	1.80	3.8	16.91	994
1002	Hartmarx	–72.9	7⅛	35	6	–2.71	0.65	def	0.11	0.60	8.4	19.11	140
698	Hasbro	–13.7	15	31	10	1.46	1.63	10.3	0.61	0.20	1.3	13.67	881
490	Hawaiian Electric	19.4	30	40	22	2.56	3.13	11.7	0.67	2.20	7.3	26.63	647
463	Healthco Intl	23.9	14⅓	24	11	–3.32	NA	def	0.25	none	0.0	16.16	114
910	Hechinger	–52.0	8⅓	27	7	0.92	1.05	9.0	0.21	0.06	0.7	11.00	297
149	HJ Heinz	108.5	33⅓	37	15	1.97	2.38	17.2	1.40	0.96	2.8	7.61	8,674
141	Helene Curtis Inds	113.0	24⅛	35	10	0.89	1.91	27.7	0.31	0.20	0.8	15.22	237
NR	Henley Group	NA	15½	48	15	–10.66	–7.00	def	0.17	none	0.0	54.04	325
786	Hercules	–28.6	28⅛	74	26	–2.89	3.14	def	0.42	2.24	8.0	40.77	1,320
147	Hershey Foods	110.5	36⅛	40	16	2.48	2.49	14.6	1.24	0.90	2.5	12.39	3,258
758	Hewlett-Packard	–23.1	28¼	74	25	3.06	3.53	9.2	0.52	0.42	1.5	22.92	6,848
886	Hexcel	–45.2	10¼	43	7	0.05	1.03	202.6	0.17	0.44	4.3	18.95	71
1062	Highland Superstores	–93.9	1⅛	39	2	–0.55	NA	def	0.03	none	0.0	6.74	30
80	Hillenbrand Inds	162.7	35⅛	48	13	2.07	2.38	17.0	1.05	0.55	1.6	10.91	1,300
NR	Hillhaven	NA	1⅞	2	+	NA	0.02	NA	0.17	none	0.0	1.67	193
979	Hills Dept Stores	–69.2b	2	13	2	–0.14	0.18	def	0.02	none	0.0	0.63	38
614	Hilton Hotels	1.0	32¾	116	26	2.31	2.50	14.2	1.55	1.20	3.7	18.38	1,574
19	Holly Corp	312.3c	21⅛	41	5	2.90	2.95	7.3	0.40	0.48	2.3	2.89	174
NR	Holnam	NA	2⅜	8	2	–0.17	NA	def	0.26	none	0.0	3.95	268
2	Home Depot	851.9	35½	44	3	1.26	1.69	28.0	1.16	0.12	0.3	4.57	4,094
1015	Home Shopping	–75.8a	4½	47	3	0.35	0.55	12.9	0.40	none	0.0	1.56	406
997	HomeFed	–72.2	7⅜	48	5	–1.82	2.01	def	0.08	0.20	2.7	50.51	159
1061	Homestead Financial	–93.9	½	13	+	–2.54	NA	def	0.02	none	0.0	7.40	5
161	HON Industries	100.0	15⅓	23	7	0.92	1.38	16.7	0.77	0.30	2.0	3.76	503
474	Honeywell	22.1	45⅓	56	25	8.17	4.78	5.5	0.55	1.50	3.3	23.98	3,458
88	Geo A Hormel	153.6	16⅓	19	6	1.01	1.20	16.1	0.46	0.30	1.8	6.15	1,246
939	Horn & Hardart	–57.4	3⅓	19	2	–1.06	0.59	def	0.07	none	0.0	4.37	46

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
643	Houghton Mifflin	–5.4	22	50	18	1.76	1.92	12.5	0.73	0.74	3.4	14.04	314
843	Household Intl	–38.5	26	66	19	5.87	6.57	4.4	0.22	2.20	8.5	32.71	918
455	Houston Industries	25.0	35	39	27	3.22	2.98	10.9	1.09	2.96	8.5	29.05	4,445
229	Hubbell	77.3	40	50	22	2.96	3.28	13.5	1.57	1.48	3.7	15.21	1,124
925	Hudson Foods	–54.1a	7	21	5	0.60	1.00	11.7	0.15	0.12	1.7	8.27	102
191	Huffy	89.1	14½	26	7	2.12	2.10	6.8	0.26	0.40	2.8	11.15	127
794	Hughes Supply	–29.3	11⅛	22	11	0.96	1.54	11.6	0.09	0.36	3.2	19.89	48
391	Humana	36.4	42⅝	51	16	3.08	3.43	13.8	0.92	1.20	2.8	13.48	4,443
476	JB Hunt Transport	21.8	16¾	32	12	1.35	1.49	12.4	0.72	0.24	1.4	7.43	396
671	Huntington Bcshs	–10.7	12¼	20	9	1.46	2.06	8.4	0.58	0.80	6.5	12.79	719
494	IBP	18.7b	15⅛	20	11	1.05	1.34	14.4	0.07	0.60	4.0	10.51	716
1036	ICH	–83.3	3	33	2	–5.16	0.88	def	0.08	none	0.0	5.72	145
484	IE Industries	20.5	25	28	20	4.39	2.45	5.7	0.81	2.10	8.4	19.47	362
NR	Illinois Central	NA	11⅛	17	9	1.71	1.95	6.5	0.48	none	0.0	NA	264
830	Illinois Power	–36.1	15¼	32	13	0.44	1.52	34.7	0.85	none	0.0	20.56	1,153
95	Illinois Tool Works	147.9	43⅜	57	16	3.29	3.66	13.2	0.97	0.72	1.7	16.23	2,347
NR	IMC Fertilizer Group	NA	35¼	50	23	3.24	3.89	10.9	0.83	1.08	3.1	31.13	928
188	Imcera Group	89.6	65⅞	67	25	2.93	3.98	22.5	1.00	1.00	1.5	35.91	1,495
540	Imo Industries	12.0a	7⅝	23	7	1.43	1.37	5.3	0.13	0.50	6.6	18.20	137
NR	Imperial Holly	NA	15⅛	27	5	1.99	3.00	7.6	0.21	0.40	2.6	11.81	153
536	Inacomp Computer	12.2	5¼	12	3	0.95	1.30	6.1	0.08	none	0.0	7.21	40
771	INB Financial	–24.9	17¾	35	15	2.59	3.47	6.9	0.50	1.20	6.8	24.81	324
207	Inco	84.0c	24¾	38	11	4.46	3.02	5.5	0.80	1.00	4.1	13.01	2,542
712	Independent Insurance	–16.0	14¼	23	13	2.17	2.57	6.8	0.36	0.84	5.7	24.82	196
274	Ingersoll-Rand	63.6	35	61	20	3.89	3.85	9.0	0.49	1.32	3.8	26.73	1,803
486	Ingles Markets	20.0b	8¼	13	7	0.67	0.88	12.3	0.15	0.22	2.7	6.97	147
548	Inland Steel Inds	11.1	25⅛	49	15	0.66	2.03	38.1	0.20	1.40	5.6	43.46	799
822	Inspiration Resource	–35.0	3¼	10	3	0.06	0.63	54.2	0.15	0.12	3.7	7.19	215
744	Instrument Systems	–21.1	1⅜	3	+	0.35	NA	3.9	0.09	none	0.0	1.81	41
173	Intel	94.3	37⅞	52	11	3.04	3.61	12.5	1.97	none	0.0	13.81	7,435
17	Intelligent Electron	312.9b	16	24	3	1.80	2.42	8.9	0.16	none	0.0	6.52	210
NR	Interco	NA	⅛	4	+	–5.57	NA	def	0.00	none	0.0	–37.50	6
461	Interface	24.3	9⅜	20	6	1.49	0.75	6.5	0.27	0.24	2.5	9.14	165
981	Intergraph	–69.4	11¼	40	11	1.33	1.43	8.5	0.57	none	0.0	12.58	565
1041	Interlake	–84.1c	4⅛	62	4	–1.68	0.47	def	0.05	none	0.0	–16.92	45
976	Intermark	–68.7	2⅞	15	3	–4.00	NA	def	0.04	none	0.0	5.57	43
781	IBM	–27.0	113½	176	93	7.25	11.02	15.7	0.98	4.84	4.3	67.01	65,018
216	Intl Flavors & Frags	81.9	72¾	78	35	3.99	4.52	18.2	2.97	2.16	3.0	20.09	2,772
430	Intl Multifoods	29.3	34⅜	40	23	2.01	2.96	17.1	0.21	1.18	3.4	23.52	443
170	International Paper	95.1	49½	60	24	6.82	5.63	7.3	0.43	1.68	3.4	47.35	5,396
121	Interpublic Group	122.2	31¼	38	14	2.23	2.67	14.2	0.83	0.76	2.4	10.63	1,070
361	InterTAN	42.9b	21¼	63	10	2.62	4.12	8.1	0.27	none	0.0	25.83	190
542	Iowa-Illinois G&E	11.5	20	24	17	1.89	2.09	10.6	1.02	1.67	8.4	16.14	507
373	Ipalco Enterprises	39.5	26¼	30	19	2.63	2.72	10.0	1.62	1.80	6.9	18.88	986
609	Itel	1.3	9⅞	29	8	0.42	1.16	23.5	0.21	none	0.0	15.82	479
447	ITT	26.3	48	66	35	8.48	6.70	5.7	0.28	1.72	3.6	62.10	5,760
5	Jacobs Engineering	532.4	23	27	3	1.28	1.49	18.0	0.29	none	0.0	5.47	258
688	James River Corp Va	–12.9	23	44	19	0.63	2.90	36.5	0.34	0.60	2.6	28.41	1,877
1026	Jamesway	–78.7	2¼	16	2	–0.06	0.48	def	0.03	0.08	3.6	9.51	31
572	Jefferson-Pilot	7.0	35½	46	23	4.29	4.15	8.3	1.12	1.52	4.3	39.46	1,295
91	Johnson & Johnson	151.8	66¼	74	24	3.34	4.36	19.8	2.01	1.36	2.1	12.45	22,071
624	Johnson Controls	–1.0	24¼	47	17	2.13	2.40	11.4	0.21	1.24	5.1	29.14	955
151	Jostens	107.9	29⅞	30	13	1.52	1.73	19.7	1.49	0.80	2.7	6.42	1,195
59	JWP	192.3	15¼	30	5	1.49	1.89	10.5	0.23	none	0.0	5.57	593
498	Kmart	18.2	27⅞	48	22	1.67	4.14	16.7	0.17	1.72	6.2	24.90	5,567
902	Kaman	–50.4	7⅛	21	6	1.07	1.19	6.7	0.16	0.44	6.2	10.03	130
386	Kansas City P&L	37.0	31	36	21	3.34	3.43	9.3	1.26	2.68	8.6	27.00	959
728	Kansas City Southern	–19.2	39	80	32	5.12	4.19	7.6	0.78	1.08	2.8	36.95	407
185	Kansas Gas & Elec	90.3	26⅞	27	14	1.83	1.99	14.7	1.44	1.72	6.4	19.50	833
560	Kansas Power & Light	8.8	21⅝	33	20	2.06	2.29	10.5	0.63	1.80	8.3	17.80	748
853	Kaufman & Broad Home	–40.2a	6½	22	5	2.02	1.33	3.2	0.12	0.30	4.6	6.76	180
150	Kellogg	108.3	72⅛	82	32	3.73	4.60	19.4	1.78	1.92	2.7	13.41	8,725
894	Kellwood	–49.2	8¼	41	5	0.36	1.81	22.9	0.13	0.80	9.7	16.75	97
442	Kelly Services	27.0	31½	42	23	2.38	2.61	13.2	0.69	0.66	2.1	9.44	1,011

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Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
741	Kemper	-20.9	19¼	52	17	0.33	4.30	58.3	0.32	0.92	4.8	35.14	941
472	Kennametal	22.5	27¼	40	20	3.12	3.27	8.7	0.47	1.16	4.3	22.04	286
928	Kentucky Central Life	-54.7	8	21	7	1.79	2.39	4.5	0.23	0.40	5.0	23.62	107
380	Kentucky Utilities	38.8	21¼	24	15	2.11	2.05	10.1	1.45	1.46	6.9	13.94	804
947	Kerr Glass Mfg	-58.3	5	18	5	-0.59	0.20	def	0.06	none	0.0	10.94	18
415	Kerr-McGee	32.0	44⅞	54	24	2.75	3.43	16.3	0.65	1.44	3.2	31.93	2,249
704	KeyCorp	-14.2	21⅞	31	17	3.45	3.94	6.3	0.54	1.36	6.2	22.93	923
553	Kimball International	10.3	17⅜	26	13	2.01	1.99	8.6	0.61	0.68	3.9	13.18	368
103	Kimberly-Clark	138.8	80	83	32	5.38	6.24	14.9	1.03	2.72	3.4	25.85	6,381
301	KN Energy	55.8	25⅛	27	12	1.95	1.93	12.9	0.62	1.12	4.5	15.66	237
599	Knight-Ridder	2.5	40⅞	61	33	3.27	3.20	12.5	0.88	1.32	3.2	17.83	2,051
NR	Kroger	NA	12½	20	7	0.25	1.08	50.0	0.05	none	0.0	-35.42	1,061
9	LA Gear	451.6a	11⅜	50	2	2.45	2.25	4.6	0.25	none	0.0	8.80	221
590	La-Z-Boy Chair	3.8	13⅞	24	12	1.45	1.63	9.6	0.41	0.56	4.0	11.98	248
576	Laclede Gas	6.3	31⅓	41	26	1.83	NA	17.3	0.51	2.40	7.6	23.49	247
887	LADD Furniture	-46.1	4⅓	25	4	0.44	0.76	10.8	0.17	0.28	5.9	7.00	89
465	Lafarge	23.9	10⅜	21	8	1.23	1.28	8.4	0.33	0.40	3.9	15.79	529
464	Lancaster Colony	23.9	16	26	13	1.34	1.81	11.9	0.37	0.80	5.0	11.90	189
387	Lance	37.0	21¼	27	15	1.49	1.65	14.6	1.54	0.84	3.9	6.97	681
1027	Landmark Land	-79.4	4⅜	25	4	-11.72	NA	def	0.07	none	0.0	1.34	35
634	Lands' End	-4.1a	11⅝	36	9	0.82	1.32	14.2	0.40	0.20	1.7	5.76	231
583	Leggett & Platt	4.9	23¼	38	20	2.62	2.83	8.5	0.38	0.84	3.6	16.34	410
672	Lennar	-10.9	11½	35	10	1.90	1.32	5.9	0.29	0.24	2.1	25.85	113
699	Leslie Fay Cos	-13.8a	10⅛	17	4	1.50	1.88	6.8	0.23	none	0.0	8.36	193
219	Leucadia National	80.6	21	25	9	7.07	3.13	3.0	0.39	none	0.0	19.77	262
414	LG&E Energy	32.1	39⅜	44	29	3.00	3.59	13.2	1.20	2.84	7.2	28.63	840
459	Liberty Corp	24.5	42½	53	33	4.42	3.57	9.6	0.94	0.92	2.2	33.59	333
30	Lifetime	258.4	21½	35	5	1.88	2.27	11.4	0.28	none	0.0	13.17	185
84	Eli Lilly	156.1	71⅜	90	25	3.74	4.69	19.1	3.97	1.64	2.3	13.92	19,440
349	Limited	45.2	15⅛	26	8	1.05	1.32	14.5	1.07	0.24	1.6	3.45	5,442
335	Lincoln Electric	48.6	260	285	170	29.64	NA	8.8	0.38	7.20	2.8	231.35	277
756	Lincoln National	-22.9	38⅝	63	31	5.17	5.54	7.5	0.19	2.72	7.0	52.14	1,613
1021	Lionel	-77.3	1⅛	11	1	-0.23	NA	def	0.04	none	0.0	6.39	17
664	Litton Industries	-8.5	76⅝	108	64	7.29	7.43	10.5	0.36	none	0.0	57.63	1,839
767	LIVE Entertainment	-24.5	11⅛	25	8	1.30	2.87	8.6	0.19	none	0.0	10.90	125
131	Liz Claiborne	118.6	26½	39	12	2.18	2.61	12.2	1.41	0.25	0.9	6.94	2,307
829	Lockheed	-36.1	31⅜	62	25	1.98	5.05	15.8	0.20	1.80	5.7	40.38	1,983
46	Loctite	219.1	54½	61	17	3.56	4.10	15.2	1.85	1.20	2.2	15.73	988
247	Loews	71.3	93⅜	135	54	11.84	10.98	7.9	0.58	1.00	1.1	64.09	6,909
1019	Lone Star Industries	-77.0	7	42	5	-16.94	0.49	def	0.43	none	0.0	21.54	116
916	Lone Star Tech	-52.9	4	24	2	-4.98	0.91	def	0.13	none	0.0	4.47	81
94	Long Island Lighting	148.5	19⅞	22	6	1.68	2.38	11.8	0.90	1.50	7.5	17.45	2,212
462	Longs Drug Stores	24.1	38	49	25	3.03	3.48	12.5	0.34	1.04	2.7	17.86	765
222	Longview Fibre	79.6	9⅞	16	5	1.11	1.21	8.9	0.79	0.55	5.6	7.05	540
649	Loral	-6.2	34½	49	24	3.18	4.16	10.8	0.62	0.88	2.6	22.83	877
140	Lotus Development	113.0	17¼	39	7	1.96	2.31	9.1	1.16	none	0.0	6.69	753
309	Louisiana Land	55.0	46⅞	54	23	1.35	2.19	34.7	1.67	1.00	2.1	15.53	1,318
479	Louisiana-Pacific	21.0	25⅜	45	20	3.92	3.28	6.5	0.51	1.08	4.3	34.38	988
724	Lowe's Cos	-18.3	21⅛	50	15	2.20	2.44	9.6	0.28	0.52	2.5	17.33	787
943	LSI Logic	-57.5	6⅛	21	5	0.24	0.72	26.6	0.43	none	0.0	7.24	265
1055	LTV	-90.7	⅛	10	+	1.18	NA	0.5	0.01	none	0.0	-39.76	71
276	Lubrizol	63.4	45¼	46	25	4.85	3.65	9.4	1.19	1.52	3.3	17.92	1,622
36	Lukens	245.9	31⅛	45	8	5.57	5.20	5.6	0.38	1.48	4.8	25.19	259
1067	LVI Group	-96.4	⅛	9	+	-1.71	-0.25	def	0.01	none	0.0	0.05	2
NR	Lyondell Petrochem	NA	15½	34	13	4.34	2.13	3.5	0.21	1.60	10.5	0.11	1,220
972	M/A-Com	-66.7	5	19	3	-4.32	0.75	def	0.33	none	0.0	8.49	123
815	Magma Copper	-33.9b	4⅝	14	4	2.11	1.03	2.2	0.17	none	0.0	10.83	129
NR	MagneTek	NA	8	14	7	1.46	1.48	5.5	0.17	none	0.0	5.77	183
1058	MAI Systems	-91.5a	15/16	21	+	0.03	NA	31.3	0.02	none	0.0	3.20	14
678	Manor Care	-11.9	15¾	26	10	0.74	1.05	21.3	0.83	0.13	0.8	5.78	604
946	Manufacturers Hanover	-57.8	19⅞	58	15	4.10	4.25	4.8	0.17	3.28	16.5	41.50	1,311
579	Manufacturers Natl	5.6	42½	60	31	7.01	7.42	6.1	0.57	2.32	5.5	43.26	640
1052	Manville	-89.6	5	71	4	1.12	0.97	4.5	0.11	none	0.0	6.36	240
110	Mapco	131.6	44	47	18	4.07	4.59	10.8	0.55	1.00	2.3	14.17	1,327

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
65	Marion Merrell Dow	182.0	32¼	42	11	1.51	1.97	21.4	4.14	0.80	2.5	3.55	8,975
441	Mark IV Industries	27.2	7⅝	15	5	4.04	NA	1.9	0.13	0.10	1.3	11.16	106
917	Marriott	–53.0	10¼	44	8	1.01	1.54	10.1	0.13	0.28	2.7	6.11	972
204	Marsh & McLennan Cos	84.7	75¼	90	41	4.18	4.75	18.0	2.09	2.60	3.5	12.05	5,526
122	Marsh Supermarkets	121.6	16¼	20	7	1.57	1.85	10.4	0.12	0.40	2.5	9.42	126
613	Marshall & Ilsley	1.0	26	38	23	3.61	3.70	7.2	0.70	1.20	4.6	25.70	577
248	Marshall Industries	71.1	18½	30	8	2.33	2.82	7.9	0.28	none	0.0	16.65	156
512	Martin Marietta	15.2	40⅞	57	32	6.74	6.92	6.1	0.34	1.50	3.7	26.67	2,077
716	Masco	–17.4	16⅝	41	14	1.17	1.61	14.2	0.80	0.56	3.4	11.94	2,588
725	Masco Industries	–18.5	4⅜	19	4	0.00	0.54	NA	0.22	none	0.0	5.02	340
300	Mattel	56.2	19⅛	26	6	1.92	2.33	10.0	0.69	0.12	0.6	4.41	971
817	Maxtor	–33.9	4¾	33	4	0.92	1.65	5.2	0.15	none	0.0	7.48	97
312	Maxus Energy	53.6b	10¾	17	6	–0.62	0.52	def	1.69	none	0.0	–0.56	1,075
126	Maxxam	119.8	30½	68	8	17.22	29.82	1.8	0.11	none	0.0	25.07	263
404	May Dept Stores	34.0	41⅞	59	22	3.97	4.62	10.5	0.52	1.58	3.8	20.56	5,217
866	Maytag	–42.2	11⅛	32	10	1.19	1.13	9.5	0.38	0.95	8.4	9.52	1,189
411	MCA	33.0	65½	71	30	2.68	3.01	24.4	1.27	0.68	1.0	25.33	4,925
616	McCaw Cellular	0.8b	16¼	47	11	2.54	–1.65	6.4	3.25	none	0.0	6.15	2,892
82	McCormick & Co	159.8	22⅛	27	8	1.52	1.70	14.6	0.70	0.48	2.2	8.35	895
326	McDermott Intl	50.7	27½	35	13	–0.12	1.10	def	0.43	1.00	3.6	15.24	1,205
287	McDonald's	60.0	28¾	39	16	2.15	2.48	13.4	1.57	0.34	1.2	10.20	10,313
804	McDonnell Douglas	–30.8	51⅛	95	34	9.56	5.22	5.4	0.12	2.82	5.5	85.87	1,967
615	McGraw-Hill	0.8	48⅜	86	40	0.47	3.83	102.9	1.24	2.16	4.5	18.08	2,355
63	MCI Communications	183.4	31⅞	48	5	1.12	3.23	28.5	1.09	0.10	0.3	6.38	8,038
546	McKesson	11.2	29⅛	40	23	2.24	2.70	13.0	0.14	1.60	5.5	20.85	1,133
NR	MCN	NA	21	24	17	1.63	2.27	12.9	0.40	1.64	7.8	13.17	488
1071	MDC Holdings	–97.4	⅛	23	+	–3.92	NA	def	0.01	none	0.0	7.89	6
592	Mead	3.7	23	50	20	2.48	2.43	9.3	0.30	1.00	4.3	26.55	1,432
68	Medco Containment	173.6	29	30	8	0.19	0.92	152.6	1.27	0.04	0.1	6.16	1,374
708	Media General	–15.1	16⅞	51	16	0.82	0.96	20.6	0.69	0.44	2.6	10.02	427
18	Medtronic	312.6	89⅜	89	21	4.15	5.25	21.6	2.85	0.82	0.9	21.43	2,634
934	Mellon Bank	–56.4	22¾	73	18	5.13	4.97	4.4	0.29	1.40	6.2	34.54	1,002
311	Melville	54.0	38⅞	58	22	3.51	4.16	11.1	0.49	1.42	3.7	17.99	4,003
785	Mercantile Bancorp	–28.4	19½	37	17	3.16	3.63	6.2	0.42	1.40	7.2	25.14	316
681	Mercantile Stores	–12.4	27¾	53	24	3.57	3.98	7.7	0.43	0.97	3.5	29.24	1,009
27	Merck	269.6	84⅜	91	22	4.35	5.34	19.4	4.50	2.24	2.7	8.90	32,986
658	Mercury General	–7.6	18¼	25	11	4.07	3.19	4.5	0.46	0.60	3.3	13.07	246
813	Meredith	–33.3	22½	43	21	1.69	1.84	13.3	0.56	0.64	2.8	17.19	417
831	Meridian Bancorp	–36.6	12⅛	28	11	0.67	2.28	18.1	0.39	1.20	9.9	17.68	491
NR	Merisel	NA	2	8	2	0.28	0.82	7.1	0.05	none	0.0	4.08	48
1056	Meritor Savings Bank	–90.7	15/16	13	+	–6.35	–0.88	def	0.04	none	0.0	8.66	33
880	Merrill Lynch	–44.7	19	47	16	–2.22	1.89	def	0.18	1.00	5.3	27.77	1,961
21	Merry-Go-Round	288.4	17⅞	28	3	1.54	1.84	11.6	0.70	0.10	0.6	4.63	414
639	Fred Meyer	–4.8a	12½	23	10	–0.21	1.69	def	0.12	none	0.0	11.18	281
868	Michigan National	–42.6	18½	58	13	4.58	4.63	4.0	0.27	2.00	10.8	50.03	277
87	MicroAge	154.4b	11⅛	19	4	1.46	1.85	7.6	0.08	none	0.0	6.53	49
527	Micron Technology	13.3	9⅜	26	4	0.13	0.66	74.1	1.06	none	0.0	12.97	354
8	Microsoft	476.1a	69½	81	6	2.62	3.12	26.6	5.84	none	0.0	8.08	7,689
1039	Midlantic	–83.7	7⅛	52	7	–4.39	1.29	def	0.11	1.00	14.0	38.51	272
762	Midway Airlines	–23.6	5¼	22	5	–8.19	–1.90	def	0.08	none	0.0	3.36	53
445	Midwest Resources	26.6	18¾	24	14	1.38	NA	13.6	1.02	1.56	8.3	12.58	938
776	Herman Miller	–26.7	17⅛	31	16	1.90	2.15	9.0	0.49	0.52	3.0	12.27	439
394	Millipore	35.7	30⅞	46	23	1.95	2.28	15.8	1.26	0.44	1.4	14.61	861
492	Mine Safety Appliance	18.8	47½	62	25	4.45	NA	10.7	0.68	0.88	1.9	37.73	309
223	Minn Mining & Mfg	79.4	80½	91	43	5.88	6.47	13.7	1.41	2.92	3.6	26.61	17,869
429	Minnesota Power & Lt	29.4	25⅜	35	19	2.43	2.58	10.5	1.58	1.86	7.3	20.83	748
242	Mitchell Energy	72.7	22⅞	25	8	0.63	1.12	36.3	1.60	0.32	1.4	12.41	1,074
1053	MLX	–89.8a	½	9	+	–1.00	NA	def	0.03	none	0.0	1.36	14
1003	MNC Financial	–73.5	4¼	29	4	–1.96	0.87	def	0.13	1.16	24.4	18.66	403
183	Mobil	90.5	57⅜	70	27	4.10	5.15	14.1	0.44	2.90	5.0	40.77	23,409
275	Modine Manufacturing	63.4	19	23	11	1.84	1.95	10.3	0.63	0.68	3.6	12.47	284
333	Molex	49.0	21¾	28	13	1.29	1.35	16.9	1.80	0.02	0.1	9.65	1,117
1054	Monarch Capital	–90.0	5½	91	4	–15.30	1.21	def	0.09	none	0.0	42.91	40
198	Monsanto	86.4	44½	62	22	4.65	4.97	9.6	0.65	1.94	4.4	29.79	5,747

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source

Rank	Company	5-year price change %	Recent price	1986-90 price range high	low	Earnings per share latest 12 mos $	1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
491	Montana Power	18.9	19⅛	22	15	1.52	1.93	12.7	1.17	1.42	7.4	16.12	953
511	Moore Corp	15.5	23⅜	34	17	1.62	1.93	14.4	0.78	0.94	4.0	15.27	2,206
427	JP Morgan & Co	29.4	41½	54	27	3.84	4.56	10.8	0.74	1.82	4.4	21.77	7,690
948	Morgan Products Ltd	–59.0	6¼	31	6	–0.43	0.59	def	0.13	none	0.0	9.81	53
440	Morgan Stanley	27.5a	55⅛	80	26	9.14	7.73	6.0	0.33	1.50	2.7	47.85	2,003
726	Morrison	–18.9	12¾	34	13	1.26	1.96	10.1	0.24	0.64	5.0	10.35	217
736	Morrison Knudsen	–20.6	37½	61	30	2.89	3.50	13.0	0.25	1.48	3.9	21.97	427
NR	Morton International	NA	44¼	46	32	2.96	3.04	14.9	1.22	0.96	2.2	21.00	2,124
356	Motorola	44.1	56	88	34	3.99	4.81	14.0	0.69	0.76	1.4	29.16	7,365
209	Multimedia	83.0	55⅛	108	27	3.81	4.74	14.5	1.31	none	0.0	–43.06	624
405	Murphy Oil	33.9	39½	48	20	3.09	2.77	12.8	0.74	1.00	2.5	22.71	1,339
507	Nacco Industries	16.7	27⅛	71	19	5.69	5.23	4.8	0.17	0.60	2.2	33.89	241
232	Nalco Chemical	75.3	46⅞	61	24	3.29	3.66	14.2	1.40	1.60	3.4	12.18	1,634
538	Nash Finch	12.0	17½	28	15	1.62	1.97	10.8	0.08	0.68	3.9	14.45	190
100	Nashua	142.2	38	45	15	2.77	4.15	13.7	0.42	0.72	1.9	25.53	246
436	National City	27.6	28	42	22	4.39	4.62	6.4	0.64	1.88	6.7	24.86	1,696
983	Natl Convenience	–69.8	3⅛	14	3	–0.43	0.30	def	0.07	none	0.0	4.42	70
1022	National Education	–77.3	3¼	31	2	–1.50	0.40	def	0.25	none	0.0	5.33	96
286	National Fuel Gas	60.0	23	28	14	1.83	2.09	12.6	0.73	1.42	6.2	16.44	652
NR	National Health Labs	NA	14¼	17	7	0.79	0.97	18.0	2.92	none	0.0	3.33	1,412
922	National Intergroup	–53.4	12⅓	29	10	–12.49	2.00	def	0.10	none	0.0	32.25	277
271	National Medical	64.8	36⅞	40	16	3.13	3.60	11.8	0.76	0.80	2.2	15.93	2,909
977	Natl Semiconductor	–69.0	3⅞	22	3	–1.73	0.57	def	0.23	none	0.0	7.33	400
377	National Service	39.2	26⅞	30	17	2.02	2.16	13.3	0.81	0.92	3.4	12.44	1,333
1031	National-Standard	–79.8	2⅛	15	3	–3.27	NA	def	0.04	none	0.0	16.14	12
1004	Navistar Intl	–73.5	2¼	12	2	–0.18	0.20	def	0.14	none	0.0	3.53	563
218	NBD Bancorp	80.7	32¼	36	17	3.71	4.05	8.7	0.89	1.40	4.4	23.26	2,365
165	NCH	98.1	51½	67	25	4.80	5.75	10.7	0.67	1.00	1.9	25.36	434
568	NCNB	7.8	24⅛	55	16	4.47	4.44	5.5	0.38	1.48	6.1	27.36	2,483
367	NCR	40.7	56⅝	87	39	5.71	6.19	9.9	0.61	1.40	2.5	28.12	3,797
673	Neiman Marcus Group	–10.9b	13¼	46	10	0.12	0.42	110.4	0.26	0.20	1.5	7.86	433
604	New England Electric	2.0	25½	35	20	4.33	2.61	5.9	0.89	2.04	8.0	19.24	1,617
709	NY State E&G	–15.3	24½	39	20	2.55	2.69	9.5	1.02	2.08	8.6	21.29	1,509
766	New York Times	–24.5	18½	50	17	0.45	1.01	41.1	0.79	0.56	3.0	13.63	1,409
16	Newell Co	320.3	23¼	36	5	1.70	1.74	13.7	1.27	0.50	2.2	7.51	1,373
297	Newmont Mining	57.0c	37	102	21	6.22	2.05	5.9	3.75	0.60	1.6	–2.96	2,498
832	Niagara Mohawk Power	–36.6	13	26	11	1.13	1.56	11.5	0.57	none	0.0	14.07	1,769
139	Nicor	113.9	46½	47	20	4.09	4.10	11.3	0.84	2.12	4.6	22.16	1,339
12	NIKE	386.8	34⅜	48	5	3.52	4.45	9.8	1.04	0.40	1.2	10.46	2,574
194	Nipsco Industries	88.7	18⅝	20	8	1.02	1.91	18.3	0.83	1.04	5.6	13.93	1,292
NR	NL Industries	NA	11½	28	9	1.56	3.13	7.2	0.81	0.60	5.3	2.00	744
848	Noland	–39.4	10	27	9	1.32	NA	7.6	0.08	0.46	4.6	26.30	37
195	Nordstrom	88.5	22½	42	12	1.24	1.71	18.1	0.64	0.30	1.3	8.99	1,836
340	Norfolk Southern	47.3	39⅞	47	21	3.55	3.85	11.2	1.40	1.60	4.0	30.44	6,448
1006	Nortek	–74.4	2⅞	19	2	–1.88	NA	def	0.04	0.10	3.5	15.65	40
1050	Northeast Federal	–88.5	1⅞	27	2	–19.66	NA	def	0.02	none	0.0	15.17	11
515	Northeast Utilities	14.8	20⅜	28	17	2.01	2.06	10.1	0.97	1.76	8.6	16.13	2,222
477	No States Power	21.7	32⅛	41	25	3.55	3.16	9.1	0.95	2.32	7.2	24.01	2,017
344	Northern Telecom	46.5	25⅝	30	13	1.72	1.95	14.9	0.93	0.32	1.2	11.14	6,204
171	Northern Trust	94.7	27½	35	14	3.17	3.39	8.7	0.76	0.84	3.1	17.09	983
962	Northrop	–63.4	16⅛	53	14	2.86	2.89	5.6	0.14	1.20	7.4	18.65	758
233	Norwest	75.2	18⅛	24	9	2.68	2.95	6.8	0.56	0.92	5.0	14.10	1,885
7	Novell	527.4	30	30	4	1.12	1.70	26.9	4.51	none	0.0	3.57	2,109
307	Nucor	55.2	55⅓	82	29	3.25	4.61	17.2	0.84	0.48	0.9	27.31	1,196
797	NWNL	–29.5	17	44	12	4.08	6.12	4.2	0.16	1.32	7.8	38.69	211
345	Nynex	46.0	71⅜	92	46	4.25	6.58	16.8	1.05	4.56	6.4	47.55	14,155
795	Occidental Petroleum	–29.4	21⅞	40	18	1.08	1.37	20.3	0.31	2.50	11.4	21.67	6,416
521	Ogden	14.0	18⅞	45	14	1.66	1.69	11.4	0.52	1.25	6.6	10.87	804
578	Ohio Casualty	6.1	37	53	27	3.85	4.61	9.6	0.41	2.32	6.3	36.94	662
573	Ohio Edison	6.9	17½	24	16	1.98	1.80	8.8	1.21	1.50	8.6	16.82	2,670
371	Oklahoma G&E	39.7	38½	39	26	3.41	3.31	11.2	1.25	2.48	6.5	21.28	1,542
597	Old Kent Financial	2.7	23¾	29	18	3.35	3.38	7.1	0.72	1.16	4.9	21.09	629
729	Old Republic Intl	–19.6	22½	33	17	4.39	4.79	5.1	0.36	0.76	3.4	29.37	450
734	Olin	–20.5	29½	68	28	5.16	4.69	5.7	0.22	2.20	7.5	35.00	565

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
676	Olsten	–11.6	9⅝	24	8	1.04	1.20	9.3	0.25	0.24	2.5	5.97	150
617	Omnicom Group	0.6a	20¼	29	15	2.02	2.30	10.0	0.46	1.10	5.4	9.05	527
670	Oneida	–10.6	9¾	19	7	1.01	1.32	9.3	0.23	0.48	5.1	10.82	97
657	Oneok	–7.5	14¾	22	5	1.21	1.44	12.2	0.59	0.76	5.2	12.11	393
111	Oracle Systems	131.3a	6	28	2	0.50	0.89	12.0	0.78	none	0.0	2.96	782
577	Orange & Rockland	6.2	29⅞	40	25	3.21	3.22	9.3	0.69	2.34	7.8	24.16	389
909	Orion Capital	–52.0	15½	40	11	3.35	4.17	4.6	0.12	0.92	6.0	22.27	99
523	Orion Pictures	13.5	11⅜	27	6	0.40	0.67	29.1	0.43	none	0.0	10.28	211
NR	Oryx Energy	NA	41⅜	55	23	0.92	1.99	45.3	2.18	1.20	2.9	15.22	3,615
956	Oshkosh Truck	–61.5	7½	33	7	0.19	0.26	39.5	0.15	0.50	6.7	13.90	68
945	Outboard Marine	–57.6	11⅞	46	9	–3.98	–0.18	def	0.20	0.80	6.7	32.96	231
552	Owens & Minor	10.4	13¼	16	8	0.73	1.20	18.2	0.09	0.26	2.0	9.28	109
532	Owens-Corning	12.7a	15½	37	9	3.64	3.56	4.3	0.19	none	0.0	–10.78	626
931	Oxford Industries	–55.6	7	19	7	0.56	0.98	12.5	0.12	0.50	7.1	11.19	65
457	Paccar	24.7	29	52	21	4.49	2.93	6.5	0.35	2.50	8.6	28.87	1,012
735	Pacific Enterprises	–20.6	38½	61	34	–1.07	3.17	def	0.39	3.48	9.0	30.00	2,693
483	Pacific G&E	20.7	24⅛	28	14	1.82	2.09	13.3	1.11	1.52	6.3	17.38	10,173
130	Pacific Telesis	118.6	46¼	52	20	2.88	3.11	16.1	1.92	2.02	4.4	20.58	18,686
280	PacifiCare Health	62.3	14	30	3	1.48	1.65	9.5	0.16	none	0.0	4.08	160
393	PacifiCorp	36.0	21⅛	24	13	1.82	1.98	11.7	1.40	1.44	6.8	12.37	5,277
914	PaineWebber Group	–52.7	13⅛	39	12	0.90	0.98	14.7	0.11	0.52	3.9	27.45	331
379	Pall	38.9	31¼	37	20	1.72	2.04	18.2	2.14	0.56	1.8	11.42	1,208
1014	Pan Am	–75.7	1⅞	10	1	–3.02	–1.61	def	0.07	none	0.0	–4.26	282
937	Panhandle Eastern	–57.2a	11⅞	35	10	0.77	1.22	15.4	0.32	0.80	6.7	16.21	1,051
303	Paramount Commun	55.8	38¾	66	23	11.51	2.40	3.4	1.26	0.70	1.8	30.98	4,609
675	Parker Hannifin	–11.4	22⅛	49	19	2.37	2.39	9.6	0.45	0.92	4.0	20.49	1,110
1051	Pathe Communications	–88.5	3⅜	46	2	1.91	NA	1.8	0.70	none	0.0	1.85	202
791	Penn Central	–29.1	18	34	15	1.60	1.76	11.3	0.45	0 48	2.7	27.84	939
NR	Penn Traffic	NA	13⅞	27	12	–6.53	NA	def	0.03	none	0.0	1.06	77
295	JC Penney	57.2	43⅛	76	26	5.86	6.04	7.4	0.31	2.64	6.1	37.65	5,132
334	Pennsylvania P&L	48.7	42⅛	43	28	4.22	4.23	10.1	1.33	2.98	7.0	28.36	3,225
582	Pennzoil	4.9	67⅛	95	39	–1.32	3.52	def	1.42	3.00	4.5	35.23	2,693
674	Pentair	–11.2	22½	36	16	2.40	2.58	9.5	0.21	0.88	3.9	24.04	244
NR	People's Bank	NA	3½	10	3	–0.99	0.53	def	0.16	0.72	20.6	14.76	114
481	Peoples Energy	20.9	23⅞	27	14	2.07	2.45	11 5	0.67	1.66	7.0	16.20	781
547	Pep Boys	11.1	10	19	8	0.71	0.87	14.1	0.64	0.12	1.2	5.63	555
48	PepsiCo	217.1	25⅝	28	7	1.26	1.61	20.3	1.18	0.40	1.6	4.92	20,271
1016	Perini	–76.4	7	40	7	1.13	1.78	6.2	0.03	0.80	11.4	33.48	27
806	Perkin-Elmer	–31.2	21¼	41	19	1.10	1.57	19.3	0.85	0.68	3.2	11.77	712
985	Perry Drug Stores	–70.0	5⅛	21	5	0.56	0.82	9.2	0.08	none	0.0	4.96	52
828	Petrie Stores	–36.1	15⅜	40	13	0.51	0.79	30.2	0.56	0.20	1.3	13.78	719
745	Petroleum Heat & Pwr	–21.4a	11	18	11	–1.09	NA	def	0.30	1.70	15.5	–0.21	173
304	Pfizer	55.6	78½	79	41	4.37	5.44	18.0	2.13	2.40	3.0	27.44	12,999
142	Phelps Dodge	112.5c	48⅞	79	16	6.15	9.73	7.9	0.65	3.00	6.1	39.00	1,688
877	PHH	–44.3	21⅛	45	18	2.22	3.38	9.6	0.18	1.20	5.6	21.38	364
642	Philadelphia Elec	–5.0	16½	26	15	0.53	1.87	31.1	0.96	1.20	7.3	17.67	3,504
13	Philip Morris Cos	342.5	48⅞	52	11	3.81	4.67	12.8	1.07	1.72	3.5	10.31	45,214
138	Phillips Petroleum	114.4	26	31	8	0.19	2.51	136.8	0.51	1.12	4.3	9.66	6,387
565	Phillips-Van Heusen	8.2	13⅝	27	8	1.64	2.73	8.3	0.16	0.28	2.1	10.17	124
869	PHM	–42.7	7⅞	24	6	1.39	1.10	5.7	0.17	0.12	1.5	12.08	185
967	Pic'N'Save	–65.2	7⅛	30	6	0.44	0.87	16.2	0.47	none	0.0	6.14	242
281	Piedmont Natural Gas	61.6	29½	30	17	2.47	2.65	11.9	0.77	1.68	5.7	17.46	312
879	Pilgrim's Pride	–44.4a	5⅝	15	4	0.72	0.92	7.8	0.18	0.06	1.1	3.86	127
NR	Pinkerton	NA	21⅓	23	14	1.41	1.99	15.4	0.23	none	0.0	4.53	133
950	Pinnacle West	–59.6	11	33	5	–5.70	1.50	def	0.61	none	0.0	16.31	954
653	Pioneer Hi-Bred Intl	–6.6	35½	48	24	2.33	3.17	15.2	1.15	1.16	3.3	19.86	1,106
324	Pitney Bowes	51.1	36⅝	55	23	1.78	3.61	20.6	0.93	1.20	3.3	18.02	2,919
304	Pittston	55.6	19⅛	22	9	0.35	2.01	55.0	0.41	0.20	1.0	11.33	718
NR	Pittway	NA	28	43	16	1.98	NA	14.1	0.42	0.60	2.1	26.54	387
927	Ply Gem Industries	–54.5	5⅞	18	4	0.59	0.81	10.0	0.11	0.12	2.0	10.26	61
818	PNC Financial	–34.3	23	51	16	2.52	3.88	9.1	0.45	2.12	9.2	29.52	2,177
594	Polaroid	3.5	22⅛	50	17	2.00	2.19	11.2	0.61	0.60	2.7	12.65	1,164
443	Pope & Talbot	26.8	12⅛	30	9	2.81	1.88	4.3	0.25	0.72	5.9	16.91	143
747	Portland General	–21.6	17¼	37	15	0.04	1.92	431.3	0.95	1.20	7.0	16.52	796

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
346	Potlatch	45.7	27½	45	18	4.63	3.69	5.9	0.62	1.32	4.8	28.74	795
503	Potomac Electric	17.7	20⅝	30	17	1.80	2.14	11.3	1.43	1.52	7.5	14.23	2,005
294	PPG Industries	57.8	40¼	55	23	4.40	4.64	9.1	0.73	1.68	4.2	23.25	4,344
64	Precision Castparts	182.3	32½	40	10	1.71	2.67	19.2	1.15	0.12	0.4	13.22	568
777	Premark Intl	–26.7a	14⅜	42	13	1.29	2.40	11.1	0.17	0.84	5.8	23.53	442
1033	Premier Bancorp	–81.3	2⅞	16	3	0.26	0.38	11.1	0.18	none	0.0	5.94	71
213	Premier Industrial	82.3	23½	28	11	1.31	1.55	17.9	2.15	0.40	1.7	4.35	1,359
926	Preston	–54.4	7¾	24	5	–3.93	0.95	def	0.07	0.50	6.5	19.12	45
607	Price Co	1.4	35½	55	24	2.47	2.79	14.4	0.33	none	0.0	10.75	1,732
580	Primerica	5.5a	21⅝	38	17	3.27	3.67	6.6	0.39	0.40	1.8	23.52	2,401
105	Procter & Gamble	136.9	82⅜	91	30	4.47	5.13	18.5	1.14	2.00	2.4	23.27	28,614
119	Progressive	122.6	45¾	56	20	3.36	5.13	13.6	0.85	0.48	1.0	17.13	1,162
NR	Promus Cos	NA	13¾	32	9	NA	1.89	NA	0.37	none	0.0	NA	367
764	Provident Life & Acc	–24.2	16	30	12	3.88	4.01	4.1	0.28	0.92	5.8	25.88	747
516	PS Group	14.7	29⅜	39	21	–0.38	NA	def	0.58	0.60	2.0	41.47	161
133	PSI Resources	117.2	15¾	19	7	2.11	1.97	7.5	0.84	0.88	5.6	10.35	856
593	Public Service Colo	3.6	21⅞	27	16	2.56	2.34	8.5	0.72	2.00	9.1	17.13	1,172
1007	Public Service NH	–74.6	2⅛	11	2	–8.29	1.10	def	0.14	none	0.0	2.39	90
995	Public Service NM	–72.0	8¼	39	8	0.12	0.72	68.8	0.40	none	0.0	18.02	345
466	Pub Svc Enterprise	23.9	26⅛	32	20	2.48	2.72	10.5	1.13	2.12	8.1	19.85	5,536
530	Puget Sound P&L	12.9	20⅜	25	18	1.87	2.10	11.1	1.27	1.76	8.5	16.11	1,153
876	Pulitzer Publishing	–44.3a	17	45	17	2.40	1.43	7.1	0.44	0.50	2.9	5.76	178
240	Quaker Oats	72.9	49½	69	27	1.87	3.14	26.5	0.73	1.56	3.2	16.67	3,737
958	Quaker State	–62.4	9⅛	32	8	0.64	0.83	14.3	0.29	0.80	8.8	11.32	248
159	Quanex	102.1	12⅜	19	3	1.80	2.27	6.9	0.25	0.40	3.2	11.69	152
117	Quantum	124.3	20	26	3	2.07	3.05	9.7	0.85	none	0.0	6.21	509
952	Quantum Chemical	–60.2	13⅝	105	8	1.13	0.83	12.1	0.15	none	0.0	–3.35	370
495	Questar	18.5	37⅜	46	25	2.61	3.07	14.4	1.42	1.96	5.2	24.84	737
1009	QVC Network	–74.6a	4¼	25	4	–0.38	0.56	def	0.11	none	0.0	7.50	74
143	Ralston Purina	112.5	99⅞	108	46	6.46	7.29	15.5	0.79	1.85	1.9	20.14	5,612
839	Raychem	–37.6	20⅜	55	16	–3.17	0.53	def	0.64	0.32	1.6	18.96	744
422	Raytheon	30.1	69¾	85	52	8.40	9.27	8.3	0.50	2.40	3.4	36.97	4,555
NR	Reader's Digest Assn	NA	25¼	28	21	1.55	1.69	16.6	1.47	0.60	2.3	5.07	3,072
113	Reebok International	130.3	10¾	25	4	1.50	1.74	7.2	0.60	0.30	2.8	7.42	1,232
859	Reliance Group	–41.2a	4⅝	12	4	3.14	0.32	1.5	0.08	0.32	6.9	4.66	345
397	Republic New York	35.3	45⅞	58	34	7.10	6.29	6.5	0.59	1.32	2.9	35.16	1,589
NR	Rexene	NA	1½	25	1	–0.41	–0.19	def	0.09	none	0.0	–2.63	47
895	Reynolds & Reynolds	–49.3	14½	41	12	2.30	2.39	6.3	0.46	0.84	5.8	11.63	275
77	Reynolds Metals	164.3	49⅞	70	18	7.03	7.45	7.1	0.49	1.80	3.6	45.24	2,948
76	Rhône-Poulenc Rorer	164.3	63	78	20	–1.64	4.28	def	1.90	0.84	1.3	16.57	4,204
NR	Richfood Holding	NA	8⅜	12	4	0.57	1.25	15.1	0.09	none	0.0	4.16	90
982	Riggs National	–69.7	9⅜	42	9	0.69	0.77	13.6	0.18	1.25	13.3	24.85	129
NR	Riser Foods	NA	7⅞	14	6	0.68	1.10	11.6	0.06	none	0.0	3.91	63
407	Rite Aid	33.3	34½	46	24	2.51	3.02	13.7	0.43	0.90	2.6	16.98	1,432
602	Roadway Services	2.2	35½	45	23	2.65	3.00	13.4	0.48	1.10	3.1	18.35	1,386
1029	HH Robertson	–79.3	4⅞	24	3	–0.30	NA	def	0.06	none	0.0	12.74	31
731	Rochester G&E	–19.7	18⅞	30	14	1.83	2.21	10.3	0.70	1.56	8.3	18.28	590
359	Rochester Telephone	43.2	27¾	46	18	1.73	2.13	16.0	1.32	1.46	5.3	15.70	775
376	Rockwell Intl	39.2	24⅞	31	14	2.56	2.75	9.7	0.48	0.86	3.5	15.86	5,992
496	Rohm & Haas	18.4	30¼	53	24	2.87	2.88	10.5	0.73	1.24	4.1	19.68	2,018
897	Rohr Industries	–49.6	14¼	39	12	0.90	1.78	16.3	0.22	none	0.0	23.42	260
428	Rollins	29.4	17⅞	23	12	1.14	1.35	15.5	0.98	0.56	3.2	3.06	417
968	Rose's Stores	–65.4	3⅞	23	4	0.35	0.47	10.4	0.05	0.21	5.8	10.40	71
998	Ross Stores	–72.2	5	25	4	0.93	1.19	5.4	0.15	none	0.0	4.53	115
707	Rouse	–14.3	15	29	11	–0.05	1.37	def	1.41	0.60	4.0	1.10	720
269	RPM	65.0	15¾	18	9	1.00	1.90	15.4	0.98	0.62	4.0	5.70	460
116	Rubbermaid	126.1	39	45	17	1.77	2.09	22.0	2.25	0.60	1.5	8.12	3,106
270	Ruddick	64.9	21⅛	30	12	2.38	2.31	8.9	0.15	0.70	3.3	16.29	208
176	Russell	93.4	18¼	31	9	1.69	2.00	10.8	1.02	0.32	1.8	9.95	738
851	Ryder System	–39.9	13⅜	43	12	1.05	1.49	12.7	0.19	0.60	4.5	18.22	1,006
749	Rykoff-Sexton	–21.7	14⅞	30	14	0.93	1.65	16.0	0.12	0.60	4.0	15.49	173
751	Ryland Group	–22.0	11½	33	10	2.59	1.63	4.4	0.10	0.60	5.2	17.25	137
410	Safeco	33.2	30⅞	42	23	4.19	4.17	7.4	0.65	1.36	4.4	29.27	1,954
118	Safety-Kleen	122.8	38¼	45	17	1.48	1.90	25.8	2.59	0.40	1.0	7.70	1,429

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Sources: Forbes; Media General; Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	low	Earnings per share latest 12 mos $	1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
NR	St Joe Paper	NA	31¼	46	26	1.84	1.60	17.0	1.53	0.20	0.6	25.16	953
321	St Paul Cos	51.8	60⅝	64	36	8.98	7.84	6.8	0.66	2.40	4.0	49.51	2,571
1028	Salant	–79.2	2	29	2	–10.29	NA	def	0.02	none	0.0	4.78	7
850	Salem Carpet Mills	–39.5	3¼	14	3	0.45	0.90	7.2	0.06	0.08	2.5	8.16	26
864	Salomon	–42.0	25½	59	17	2.76	3.70	9.1	0.31	0.64	2.5	25.95	2,953
256	San Diego G&E	68.5	45½	46	27	3.64	3.37	12.5	1.47	2.70	5.9	22.46	2,544
NR	Santa Fe Pacific	NA	14½	26	12	–1.59	0.84	def	0.85	0.10	0.7	5.39	2,499
106	Sara Lee	135.9	30	34	12	1.96	2.14	15.3	0.58	0.94	3.1	11.11	6,924
57	Savannah Foods	195.2	23½	33	6	1.80	1.92	13.0	0.53	0.48	2.1	6.25	631
1069	Savin	–96.8	⅛	5	+	–0.11	NA	def	0.05	none	0.0	0.03	19
468	Scana	23.3	34⅛	43	27	4.56	3.27	7.5	1.21	2.52	7.3	22.79	1,385
360	SCEcorp	43.2	38⅛	41	25	3.31	3.63	11.5	1.18	2.64	6.9	24.21	8,330
54	Schering-Plough	201.1	43¾	51	14	2.41	2.96	18.2	3.01	1.12	2.6	8.64	9,929
316	Schlumberger	52.7	55½	70	26	2.18	3.14	25.6	2.63	1.20	2.2	12.19	13,249
44	A Schulman	225.6	27½	32	8	1.79	1.95	15.2	0.81	0.32	1.2	8.19	548
14	Schultz Sav-O Stores	330.4	13⅜	19	3	1.26	1.55	10.8	0.08	0.12	0.9	10.80	40
128	Charles Schwab	118.8b	13⅛	18	6	0.80	0.81	16.4	0.53	0.16	1.2	6.78	330
793	SCI Systems	–29.3	7⅛	23	5	0.72	0.97	9.9	0.13	none	0.0	8.42	149
638	Scientific-Atlanta	–4.3	11⅛	29	8	1.77	1.44	6.3	0.42	0.16	1.4	12.45	248
341	Scott Paper	47.2	37½	53	24	3.82	4.21	9.8	0.53	0.80	2.1	28.02	2,742
NR	EW Scripps	NA	15	27	13	0.75	1.06	20.0	0.88	0.40	2.7	8.43	1,148
471	Seaboard	22.5	106	198	58	17.20	NA	6.2	0.30	0.50	0.5	127.32	158
449	Seagate Technology	25.9	9⅛	45	6	1.69	1.51	5.4	0.22	none	0.0	10.64	589
259	Seagram	68.2	80½	94	43	7.45	8.65	10.8	1.63	2.00	2.5	56.12	7,593
808	Sears, Roebuck	–32.1	26½	60	22	3.27	3.90	8.1	0.16	2.00	7.5	39.80	9,089
310	Seaway Food Town	54.1	14¼	25	8	1.28	1.65	11.1	0.06	0.36	2.5	14.06	34
775	Security Pacific	–26.7	23⅜	55	17	5.77	5.61	4.1	0.27	2.52	10.8	35.50	2,825
453	Selective Insurance	25.6	14⅛	20	11	2.58	2.21	5.5	0.35	1.04	7.4	18.36	183
362	Sequa	42.8	53	88	35	5.53	8.50	9.6	0.24	0.60	1.1	65.01	522
586	Service Corp Intl	4.4	21¾	32	13	–0.88	1.52	def	1.87	0.56	2.6	9.46	1,037
889	Service Merchandise	–46.9c	4⅛	22	2	1.02	1.40	4.3	0.07	none	0.0	–0.80	229
81	Shaw Industries	161.6	17½	34	6	2.08	2.34	8.3	0.33	0.50	2.9	7.89	518
991	Shawmut National	–70.9	6½	32	4	–3.48	1.24	def	0.17	1.00	14.8	18.63	495
288	Sherwin-Williams	59.9	35⅜	42	20	2.79	3.14	12.7	0.69	0.76	2.1	15.48	1,539
NR	Shoney's	NA	10⅞	17	7	0.72	0.94	15.1	0.46	none	0.0	–9.60	416
169	Sigma-Aldrich	95.7	55⅛	72	27	2.75	3.38	20.0	2.79	0.44	0.8	12.07	1,367
973	Signet Banking	–67.2	9⅞	43	8	2.52	2.14	3.9	0.18	1.56	15.8	28.15	260
212	Silicon Graphics	82.7a	23½	41	11	1.84	2.12	12.9	0.92	none	0.0	11.99	415
738	Skyline	–20.9	13¾	21	11	0.84	0.92	16.4	0.41	0.48	3.5	14.00	154
825	AO Smith	–35.4	15¼	32	11	0.81	0.85	18.8	0.13	0.80	5.2	27.27	121
NR	Smith Corona	NA	6	23	3	0.77	2.92	7.8	0.41	0.20	3.3	2.22	182
108	Smith International	133.3	15½	19	2	0.08	0.75	196.9	1.29	none	0.0	3.24	454
31	Smithfield Foods	257.9	17	20	4	2.02	NA	8.4	0.11	none	0.0	7.08	110
NR	Smith's Food & Drug	NA	27⅛	35	21	1.29	1.69	21.2	0.35	0.28	1.0	9.53	692
252	JM Smucker	69.5	40¼	46	19	2.10	2.50	19.2	1.35	0.68	1.7	11.91	594
364	Snap-on Tools	41.5	29⅝	47	20	2.58	2.78	11.5	1.32	1.08	3.6	13.93	1,220
585	Society	4.6	28¼	41	24	4.60	5.16	6.1	0.59	1.76	6.2	28.46	933
322	Sonat	51.5	51½	56	21	2.03	2.72	25.4	1.47	2.00	3.9	27.32	2,203
187	Sonoco Products	90.2	29¼	39	15	1.10	2.70	26.6	0.78	0.92	3.1	11.70	1,279
NR	Sotheby's Holdings	NA	10⅛	37	8	2.24	1.70	4.5	1.09	1.45	14.3	4.87	507
770	South Carolina Natl	–24.8	15½	27	13	2.56	2.98	6.1	0.49	0.80	5.2	20.19	332
833	Southdown	–36.7	12⅞	32	11	2.74	1.52	4.7	0.39	0.50	3.9	20.26	220
1030	Southeast Banking	–79.8	4⅞	31	3	–5.58	–0.75	def	0.10	none	0.0	24.00	163
505	Southern Company	16.9	26	30	18	1.97	2.71	13.2	1.04	2.14	8.2	21.74	8,207
357	So N England Telecom	43.9	32⅛	47	22	2.25	2.76	14.4	1.22	1.76	5.4	19.56	1,999
689	SouthTrust	–13.0	16	25	13	2.57	2.83	6.2	0.52	1.04	6.5	18.70	435
632	Southwest Airlines	–3.7	17¼	21	8	1.39	1.45	12.4	0.65	0.10	0.6	13.40	743
783	Southwest Gas	–27.8	13	27	12	1.51	1.84	8.6	0.30	1.40	10.8	17.30	253
199	Southwestern Bell	86.0	53	65	26	3.76	3.97	14.1	1.77	2.76	5.2	29.35	15,931
541	Southwestern Pub Svc	11.5	29⅛	38	22	2.73	2.51	10.7	1.55	2.20	7.6	15.51	1,192
290	Spiegel	59.8b	13⅝	27	7	1.44	1.69	9.3	0.37	0.38	2.8	7.94	695
961	Sprague Technologies	–63.0b	3⅝	20	3	–2.59	0.57	def	0.19	0.05	1.5	11.88	62
682	Springs Industries	–12.5	19¼	45	17	0.10	2.84	192.5	0.18	1.20	6.2	33.08	341
849	SPS Technologies	–39.4	21⅛	60	21	0.22	2.92	96.0	0.25	1.28	6.1	34.71	106

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Sources: Forbes, Media General, Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
846	SPX	–39.2c	16⅞	45	13	1.45	1.77	11.6	0.33	1.00	5.9	18.48	233
524	Square D	13.5	48½	66	34	4.17	4.64	11.6	0.70	2.20	4.5	23.68	1,129
723	Std Commercial	–18.2	9½	22	7	0.62	1.15	15.3	0.08	0.52	5.5	16.14	78
561	Standard Fedl Bank	8.6b	6¾	13	5	1.29	1.49	4.9	0.21	0.40	6.3	14.40	195
883	Standard Motor Prods	–44.9	6¼	25	6	0.57	1.07	11.8	0.18	0.32	4.7	12.26	89
705	Standard Products	–14.2	13½	45	13	0.86	1.33	15.7	0.21	0.92	6.8	15.06	137
878	Standard Register	–44.3	9⅞	28	10	1.30	1.26	7.6	0.41	0.56	5.7	10.71	295
325	Standex International	50.8	22¼	28	13	2.30	2.60	9.7	0.46	0.72	3.2	14.90	216
15	Stanhome	321.8	29	36	7	2.47	2.92	11.7	0.89	0.80	2.8	8.80	582
412	Stanley Works	32.4	28¼	40	21	2.67	2.78	10.6	0.60	1.20	4.2	18.19	1,192
285	State Street Boston	60.6	33¼	43	17	3.09	3.45	10.7	0.95	0.68	2.1	16.58	1,194
NR	Sterling Chemicals	NA	5⅞	19	5	1.07	0.94	5.5	0.64	1.00	17.0	1.97	325
6	Stewart & Stevenson	529.0	32½	41	3	1.97	2.65	16.5	0.76	0.24	0.7	10.43	484
700	Stone Container	–13.8	10⅞	40	8	2.51	1.14	4.3	0.11	0.72	6.6	22.50	653
544	Storage Technology	11.4	19½	74	9	2.04	2.50	9.6	0.65	none	0.0	13.12	715
816	Strawbridge	–33.9	19½	45	17	3.23	3.80	6.0	0.18	1.10	5.6	25.88	177
11	Stride Rite	397.0	25⅝	30	5	2.02	2.38	12.7	1.33	0.40	1.6	6.24	670
62	Student Loan	183.8	42	57	14	2.83	3.48	14.8	1.15	0.52	1.2	8.35	4,076
1042	Sudbury	–84.7	1⅜	14	+	0.00	NA	NA	0.04	none	0.0	4.53	18
NR	Sun Company	NA	31¾	43	26	0.35	3.11	90.7	0.31	1.80	5.7	30.50	3,394
306	Sun Microsystems	55.3a	18⅝	37	6	1.40	1.67	13.3	0.70	none	0.0	10.01	1,811
620	Sundstrand	0.0	27⅛	42	18	3.00	3.21	9.1	0.63	1.10	4.0	15.44	1,012
558	SunTrust Banks	9.8	21	28	17	2.73	2.91	7.7	0.77	0.92	4.4	16.32	2,613
425	Super Food Services	29.7	16	22	10	1.60	1.79	10.0	0.10	0.34	2.1	9.99	172
522	Super Valu Stores	14.0	25½	30	16	2.01	2.45	12.7	0.17	0.66	2.6	11.59	1,917
96	Syntex	147.1	57¼	64	21	3.24	3.55	17.8	4.08	1.60	2.8	6.88	6,463
67	Sysco	176.0	30⅞	38	11	1.51	1.74	20.5	0.37	0.28	0.9	8.40	2,837
953	Talley Industries	–60.5	6	24	5	0.69	NA	8.7	0.13	0.50	8.3	12.79	53
905	Talman Home Federal	–51.4a	4⅛	13	3	1.63	1.70	2.6	0.08	none	0.0	34.54	41
177	Tambrands	93.4	87⅛	91	44	1.08	5.66	80.7	3.04	2.40	2.8	12.90	1,866
534	Tandem Computers	12.4	12½	37	9	1.13	1.26	11.1	0.71	none	0.0	10.31	1,317
792	Tandy	–29.1	28⅞	57	24	3.48	3.81	8.3	0.50	0.60	2.1	21.78	2,290
56	TBC	196.4	9⅞	14	3	1.17	1.29	8.4	0.27	none	0.0	4.89	138
841	TCF Financial	–38.1a	7½	18	6	–3.23	2.53	def	0.11	0.40	5.3	24.52	54
211	TECO Energy	82.7	31⅝	32	17	2.40	2.57	13.2	1.66	1.62	5.1	15.45	1,797
772	Tecumseh Products	–25.1	85	158	78	5.66	NA	15.0	0.33	3.20	3.8	124.73	465
845	Tektronix	–39.1	17⅛	43	12	–2.81	1.86	def	0.35	0.60	3.5	13.24	499
172	Tele-Communications	94.6	11⅞	21	6	–0.60	–0.38	def	1.19	none	0.0	2.57	4,195
NR	Teledyne	NA	15½	36	12	1.94	2.07	8.0	0.25	0.80	5.2	8.05	859
289	Temple-Inland	59.8	27⅞	39	17	4.13	3.68	6.8	0.67	0.80	2.9	22.95	1,547
504	Tenneco	17.3	46⅝	71	35	4.92	5.19	9.5	0.40	3.20	6.9	25.81	5,843
1017	Teradyne	–76.7	5⅛	37	4	–0.72	0.31	def	0.35	none	0.0	10.01	160
61	Terex	186.8	9⅛	27	3	1.96	1.58	5.0	0.09	0.05	0.5	8.50	96
715	Tesoro Petroleum	–17.1	7⅞	17	8	0.96	NA	8.2	0.11	none	0.0	9.46	111
182	Texaco	91.3c	57⅜	69	24	4.71	5.89	12.2	0.43	3.20	5.6	32.67	14,811
915	Texas Industries	–52.9	11¾	41	11	1.56	NA	7.5	0.19	0.20	1.7	24.65	128
742	Texas Instruments	–21.1	27⅓	80	23	0.22	2.55	126.1	0.35	0.72	2.6	25.83	2,263
467	Texas Utilities	23.8	37	39	25	4.94	4.17	7.5	1.63	2.96	8.0	34.56	7,222
631	Textron	–3.6	23¾	40	17	3.13	3.26	7.5	0.27	1.00	4.2	29.20	2,121
163	Thermo Electron	99.4	26⅛	38	10	1.58	1.95	16.9	0.84	none	0.0	12.03	547
NR	Thiokol	NA	12½	16	9	2.29	2.38	5.5	0.20	0.30	2.4	14.26	240
564	Thomas & Betts	8.3	44⅛	68	37	2.80	3.34	15.8	1.27	2.12	4.8	19.72	753
872	Thomas Industries	–43.0	9¾	23	9	1.62	1.30	6.0	0.21	0.76	7.8	13.59	100
263	Thorn Apple Valley	67.6	7¾	8	4	–1.53	NA	def	0.03	none	0.0	9.28	23
802	3Com	–30.4	8	29	5	0.84	1.13	9.5	0.54	none	0.0	7.98	234
1066	TIE/communications	–96.4	¼	7	+	–1.72	NA	def	0.05	none	0.0	2.02	9
438	Time Warner	27.6	79¼	183	58	–14.35	–8.46	def	0.40	1.00	1.3	80.44	4,557
697	Times Mirror	–13.7	24⅞	53	21	1.62	1.63	15.4	0.90	1.08	4.3	15.28	3,198
563	Timken	8.4	24⅛	41	20	1.40	2.31	17.4	0.46	1.00	4.1	34.87	733
NR	TJX Cos	NA	10⅞	21	9	1.04	1.41	10.5	0.33	0.46	4.2	3.27	759
1025	Tonka	–78.2	4	32	4	–1.40	–0.08	def	0.07	none	0.0	13.35	58
127	Torchmark	119.3	48¼	59	21	4.33	4.92	11.1	1.47	1.40	2.9	15.03	2,550
651	Toro	–6.4	12⅛	30	11	1.55	1.93	7.9	0.19	0.48	3.9	13.80	141
680	Tosco	–12.3	17	25	6	5.16	2.82	3.3	0.27	0.60	3.5	8.24	529

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WHO'S WHERE IN THE STOCK MARKET

Rank	Company	5-year price change %	Recent price	1986-90 price range high	1986-90 price range low	Earnings per share latest 12 mos $	Earnings per share 1991 estimate $	Price/ earnings ratio	Price/ sales ratio	Indicated annual dividend $	Current yield %	Book value per share $	Market value $mil
963	Town & Country	–63.6	2¼	12	1	0.54	0.85	4.2	0.06	none	0.0	7.40	27
115	Toys 'R' Us	128.2	23¾	35	10	1.12	1.54	21.2	1.29	none	0.0	5.95	6,844
660	Transamerica	–7.8	31⅛	52	23	3.92	4.26	7.9	0.36	1.96	6.3	35.63	2,370
788	Transco Energy	–28.8	38⅞	64	18	1.55	3.13	25.1	0.37	1.36	3.5	23.98	1,187
988	Travelers	–70.6	14⅛	60	12	–1.96	3.37	def	0.12	1.60	11.3	47.24	1,444
NR	Tredegar Industries	NA	8⅝	18	8	0.00	0.96	NA	0.17	0.24	2.8	15.69	98
378	Tribune	39.0	38¾	63	25	2.63	2.87	14.7	1.02	0.96	2.5	19.30	2,552
528	Trinity Industries	13.1	17¼	46	13	1.42	2.43	12.1	0.28	0.80	4.6	14.69	365
640	Trinova	–4.8	15⅝	44	15	1.93	2.01	8.1	0.22	0.68	4.4	19.75	441
737	TRW	–20.7	34⅞	70	31	3.75	4.26	9.3	0.26	1.80	5.2	28.77	2,121
1044	Tucson Electric	–85.1	6⅛	65	6	–5.01	–0.58	def	0.32	none	0.0	24.86	163
10	Turner Broadcasting	404.7	11⅞	21	2	–0.40	0.24	def	1.33	none	0.0	–2.19	1,769
938	Turner Corp	–57.3	11	31	11	1.62	1.55	6.8	0.02	1.00	9.1	12.32	52
NR	TW Holdings	NA	3⅛	6	2	NA	–0.18	NA	0.09	none	0.0	1.88	344
417	20th Century Inds	31.3	21½	29	15	3.17	3.26	6.8	0.72	0.64	3.0	12.44	552
42	Tyco Laboratories	230.0	38⅞	66	12	3.01	3.89	12.9	0.70	0.36	0.9	14.45	1,632
49	Tyson Foods	210.9	28½	35	8	1.81	2.34	15.7	0.49	0.04	0.1	6.92	1,872
157	UAL	104.3	101⅜	294	46	10.31	7.36	9.9	0.21	none	0.0	71.64	2,222
253	UGI	69.3	17⅞	20	11	1.09	2.00	16.4	1.06	1.18	6.6	11.66	362
954	UJB Financial	–61.1	9¼	33	7	0.76	1.24	12.2	0.31	1.16	12.5	18.67	413
975	UNC	–68.4	3	14	3	–0.14	0.40	def	0.13	none	0.0	7.69	51
862	Union Bank	–41.6	17½	37	14	4.18	4.51	4.1	0.33	1.40	8.1	24.65	555
432	Union Camp	28.8	34⅛	48	26	3.48	3.13	9.8	0.84	1.56	4.6	25.49	2,353
810	Union Carbide	–32.8c	15⅞	33	14	2.43	1.99	6.5	0.27	1.00	6.3	16.83	2,285
398	Union Electric	35.1	28⅞	32	20	3.03	2.80	9.5	1.44	2.16	7.5	19.14	2,949
435	Union Pacific	27.9	68⅞	87	45	6.05	6.49	11.4	0.97	2.32	3.4	38.99	6,909
129	Union Texas Petrol	118.8b	17½	25	6	0.29	1.13	60.3	1.29	0.20	1.1	3.27	1,479
1045	Unisys	–85.8	3	48	2	–2.68	0.18	def	0.05	none	0.0	18.84	480
239	UA Entertainment	73.0	11⅝	24	6	–0.79	–0.56	def	0.90	none	0.0	5.90	1,284
812	United Banks of Colo	–33.2	19⅝	35	12	–4.51	0.87	def	0.46	none	0.0	26.25	302
197	United HealthCare	86.6	19⅛	20	3	1.12	1.45	17.1	0.97	0.03	0.2	2.80	516
550	United Illuminating	10.7	29⅞	36	19	3.17	3.55	9.4	0.72	2.32	7.8	26.11	415
1077	United Merchants	–98.7	¼	22	†	–15.06	NA	def	0.01	none	0.0	–10.86	2
351	US Bancorp	44.9	20⅜	27	13	2.96	3.32	6.9	0.65	1.00	4.9	17.70	1,217
508	US Healthcare	16.6	23¼	24	4	1.13	1.53	21.0	0.92	0.36	1.5	3.55	1,127
1060	US Home	–92.9	⅜	9	†	–0.52	0.02	def	0.03	none	0.0	4.19	19
929	US Shoe	–54.9	9⅝	35	7	1.36	1.62	7.1	0.16	0.52	5.4	12.22	433
964	United Stationers	–64.0	9	26	8	0.83	1.04	10.8	0.14	0.40	4.4	11.03	140
598	United Technologies	2.6	44⅞	63	30	6.02	6.09	7.5	0.26	1.80	4.0	41.14	5,439
135	United Telecom	115.8	25⅝	46	12	1.58	2.38	16.3	0.67	1.00	3.9	9.99	5,503
NR	Unitrin	NA	29¾	35	25	2.01	2.65	14.8	1.37	0.80	2.7	33.04	1,649
124	Univar	121.2a	11¾	18	5	1.28	1.40	9.2	0.15	0.30	2.6	7.53	207
618	Universal	0.5	24⅜	39	22	2.25	2.80	10.8	0.14	1.48	6.1	24.15	400
33	Universal Foods	250.3	30⅞	34	8	1.95	2.39	15.8	0.93	0.76	2.5	8.31	779
893	Universal Health	–49.1	7⅜	17	3	0.83	0.93	8.9	0.18	none	0.0	11.18	110
137	Unocal	114.9	28⅞	35	8	1.44	2.09	20.1	0.68	0.70	2.4	9.83	6,762
299	UNUM	56.8a	42⅛	57	15	5.09	5.29	8.3	0.71	0.80	1.9	34.18	1,462
266	Upjohn	65.8	36⅞	54	21	1.17	2.65	31.5	2.21	1.00	2.7	10.64	6,529
266	US West	65.8	36⅞	41	21	3.15	3.30	11.7	1.47	2.00	5.4	22.72	14,452
923	USAir Group	–53.5	16	55	13	–8.28	–1.60	def	0.11	none	0.0	45.58	713
996	USF&G	–72.1	10⅞	49	11	1.53	0.95	7.1	0.19	1.00	9.2	22.80	910
NR	USG	NA	1⅛	8	1	0.09	–0.06	12.6	0.03	1.00	88.5	–26.55	62
860	Uslico	–41.4	15⅜	31	15	2.66	2.69	5.8	0.36	1.00	6.5	28.27	166
750	USLife	–21.9	29½	50	23	4.19	4.51	7.0	0.39	1.48	5.0	55.65	477
23	UST Inc	281.4	33¼	34	8	1.86	2.26	17.9	4.91	1.10	3.3	4.42	3,576
482	USX	20.7	32⅛	40	15	3.01	3.32	10.7	0.45	1.40	4.4	20.95	8,200
343	UtiliCorp United	46.5	19⅛	22	13	1.93	2.22	9.9	0.55	1.52	7.9	16.72	450
347	Valero Energy	45.5	20	20	5	1.63	1.96	12.3	0.74	0.28	1.4	13.56	814
69	Valhi	172.4	6⅛	18	2	0.63	NA	9.7	0.38	0.20	3.3	2.53	695
1001	Valley National	–72.9	11¼	50	9	–0.37	0.80	def	0.19	none	0.0	22.60	223
90	Valmont Industries	152.3	10¼	25	4	1.59	1.77	6.5	0.14	0.26	2.5	8.83	117
136	Valspar	115.6	32⅞	41	15	2.33	2.79	14.1	0.63	0.52	1.6	10.22	359
559	Varian Associates	9.2	31¼	40	18	–0.21	2.81	def	0.48	0.26	0.8	21.48	598

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620	Varity	0.0	2⅛	4	1	0.40	0.37	5.3	0.17	none	0.0	1.85	525
865	VF	–42.2	15	48	12	2.23	2.40	6.7	0.33	1.00	6.7	14.14	855
132	Viacom	117.9b	19¾	33	5	–0.29	0.05	def	1.36	none	0.0	4.27	2,108
395	Village Super Market	35.7	9½	25	5	1.40	1.22	6.8	0.04	0.15	1.6	16.78	29
626	Vishay Intertech	–1.4	12¼	23	8	1.70	2.10	7.2	0.41	none	0.0	9.54	180
407	Vista Chemical	33.3a	25	64	17	5.53	4.09	4.5	0.37	1.80	7.2	–12.02	265
960	Volt Info Sciences	–62.5	7½	34	8	0.26	NA	28.8	0.08	none	0.0	15.22	43
79	Vons Cos	162.8b	19⅜	24	6	0.90	1.30	21.5	0.14	none	0.0	4.91	751
372	Vulcan Materials	39.6	31¾	49	22	3.07	3.19	10.3	1.12	1.20	3.8	16.80	1,226
NR	Waban	NA	9¼	20	5	0.76	0.87	12.2	0.12	none	0.0	9.32	264
720	Wackenhut	–18.1	21½	40	12	1.72	2.11	12.5	0.16	0.60	2.8	8.71	83
29	Wal-Mart Stores	268.7	29⅛	37	7	1.04	1.43	28.3	1.15	0.14	0.5	3.50	33,276
224	Walgreen	78.7	50¼	53	24	2.83	3.25	17.8	0.51	0.92	1.8	13.38	3,091
663	Wallace Computer Svs	–8.5	18⅛	32	16	1.86	1.97	9.7	0.86	0.50	2.8	13.04	387
1043	Wang Laboratories	–84.7	3	22	3	–3.95	–0.18	def	0.20	none	0.0	2.51	496
66	Warner-Lambert	180.0	66½	70	22	3.52	4.19	18.9	1.99	1.52	2.3	8.38	8,929
458	Washington Gas Light	24.6	27⅞	33	20	2.51	2.60	11.1	0.74	2.04	7.3	19.72	542
284	Washington Mutual	61.0	12¼	26	8	1.77	2.85	6.9	0.26	0.44	3.6	24.18	188
919	Washington National	–53.3	12¼	38	12	0.25	1.25	49.0	0.17	1.08	8.8	31.17	133
319	Washington Post	52.0	180½	311	115	14.96	15.01	12.1	1.51	4.00	2.2	75.40	2,193
22	Waste Management	283.1	34	46	9	1.42	1.79	24.0	3.03	0.36	1.1	5.98	16,401
611	Waxman Inds	1.2	4⅛	13	3	0.63	0.65	6.6	0.09	0.12	2.9	3.96	41
NR	Weirton Steel	NA	7	15	6	0.99	1.45	7.1	0.12	0.64	9.1	16.29	140
574	Weis Markets	6.7	29	42	22	1.90	2.13	15.3	1.03	0.60	2.1	12.52	1,306
451	Wellman	25.8b	14⅝	43	6	2.05	2.03	7.1	0.59	0.12	0.8	9.97	468
254	Wells Fargo	69.2	53⅜	88	31	13.43	12.88	4.0	0.48	4.00	7.5	48.08	2,753
912	Wendy's Intl	–52.4	6⅜	18	4	0.38	0.44	16.8	0.61	0.24	3.8	4.45	617
900	Western Digital	–50.0	5¼	33	4	0.82	0.99	6.4	0.14	none	0.0	11.20	153
665	Western Publishing	–8.8a	11⅝	23	9	0.94	1.10	12.4	0.49	none	0.0	9.42	245
1074	Western Union	–97.7	¼	14	+	–1.63	–1.50	def	0.04	none	0.0	–8.78	26
472	Westinghouse	22.5	27¼	39	20	3.37	3.67	8.1	0.62	1.40	5.1	15.11	7,946
337	Westmark Intl	47.6b	23¼	52	13	1.81	2.32	12.8	0.47	none	0.0	27.33	223
648	Westmoreland Coal	–6.0	19½	28	13	1.78	1.96	11.0	0.28	0.32	1.6	18.27	161
392	Westvaco	36.1	25⅝	38	18	2.90	2.72	8.8	0.69	1.05	4.1	22.91	1,666
318	Wetterau	52.1	29¾	36	16	2.13	2.63	14.0	0.11	0.64	2.2	10.37	628
637	Weyerhaeuser	–4.2	19⅝	40	17	0.92	1.87	21.3	0.42	1.20	6.1	19.13	4,020
NR	Wheelabrator Tech	NA	36	39	31	1.14	2.14	31.6	1.20	none	0.0	14.22	1,463
840	Wheeling-Pittsburgh	–37.8	5⅛	28	2	16.14	NA	0.3	0.02	none	0.0	–3.10	26
666	Whirlpool	–8.9	22½	42	18	2.53	2.09	8.9	0.24	1.10	4.9	20.49	1,563
641	Whitman	–4.9	18¼	41	17	–0.11	1.82	def	0.66	1.06	5.8	12.11	1,874
55	Wholesale Club	200.1	19⅞	25	3	0.98	1.14	20.3	0.23	none	0.0	5.18	154
480	Wicor	21.0	18¾	26	13	1.66	2.40	11.3	0.37	1.44	7.7	17.92	258
520	Willamette Inds	14.1	35¼	63	30	6.64	5.21	5.3	0.47	1.60	4.5	35.44	896
519	Willcox & Gibbs	14.1	6½	21	5	0.95	1.32	6.8	0.16	0.10	1.5	7.95	90
636	Williams Cos	–4.2	28½	45	18	0.92	2.06	31.0	0.65	1.40	4.9	25.60	1,175
237	Winn-Dixie Stores	73.3	33¼	39	17	1.93	2.09	17.3	0.26	1.08	3.2	10.39	2,612
1034	Winnebago Industries	–82.0	2¼	21	2	–0.72	0.02	def	0.17	none	0.0	5.30	56
314	Wisconsin Energy	52.9	30⅜	32	19	2.78	2.98	10.9	1.41	1.76	5.8	20.23	2,046
475	Wisconsin Public Svc	22.1	23⅞	32	19	2.00	2.16	11.9	0.95	1.66	7.0	16.51	547
600	Witco	2.5	27½	47	22	1.37	3.27	20.1	0.38	1.72	6.3	25.26	607
NR	WLR Foods	NA	14½	19	9	1.52	1.76	9.7	0.31	0.32	2.2	10.29	155
167	Woolworth	97.5	29⅝	37	15	2.67	3.04	11.1	0.40	1.04	3.5	15.98	3,828
368	Worthington Inds	40.7	20⅝	26	13	1.35	1.83	15.3	0.88	0.60	2.9	8.64	813
497	WPL Holdings	18.3	23⅞	30	20	2.48	2.22	9.6	1.04	1.74	7.3	15.90	637
37	Wm Wrigley Jr	244.4	53⅜	59	14	2.87	3.26	18.6	1.93	1.62	3.0	8.73	2,096
1048	WTD Industries	–87.6a	1½	27	+	–4.14	0.79	def	0.02	none	0.0	6.20	9
679	Wyle Laboratories	–12.0	10⅜	18	7	1.23	1.29	8.4	0.23	0.28	2.7	9.77	100
959	Wyman-Gordon	–62.4	8	25	6	–0.08	0.56	def	0.36	0.80	10.0	13.49	143
871	Xerox	–42.9	34⅛	85	29	1.40	5.43	24.4	0.18	3.00	8.8	64.68	3,148
727	Yellow Freight Sys	–19.0	23½	42	19	0.90	2.51	26.1	0.29	0.94	4.0	16.73	669
986	Zenith Electronics	–70.1	6⅛	34	4	–2.44	–0.56	def	0.11	none	0.0	14.90	164
924	Zenith National Ins	–54.1	10¾	30	10	1.50	2.44	7.2	0.43	0.88	8.2	14.74	212
245	Zurn Industries	72.2	33¼	51	15	2.27	3.05	14.6	0.63	0.88	2.6	18.47	412

Note: Except as indicated, price changes are from Dec. 31, 1985 to Nov. 14, 1990. +: Less than $1. NR: Not ranked because of merger, spinoff, reorganization, new issue or conversion to stock company. Range is for period since such change. a: Four-year price change. b: Three-year price change. c: Does not reflect special cash dividend paid. NA: Not available. NM: Not meaningful. def: Deficit.

Sources: Forbes; Media General; Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source.

WHO'S WHERE IN

PROFITABILITY

America's major corporations maintained solid double-digit profit growth for the five-year period, but the profit growth sputtered last year.

By Gustavo Lombo

FIVE-YEAR AVERAGE RETURN on equity for the median company in this industry survey was 14.6%, versus 14.3% the year before, but despite that slight gain, 1990 was not a highly spectacular year. Latest 12-month return on equity for these companies slumped from 14.4% to 12.1%. (Note: Latest 12-month results may overlap as many as two quarters of the five-year average, which is based on fiscal results.)

L.A. Gear, the aptly named Los Angeles-based athletic footwear and apparel maker, had the highest return on equity over the long haul, an 83.2% annualized rate. (L.A. Gear went public in 1986, so its profitability is based only on four-year, rather than five-year, results.) Such high returns are, of course, unsustainable. L.A. Gear's latest 12-month return on equity is down to 28%. This sharp decline reflects little more than the fact that as a company's capital grows, a given amount of earnings yields a smaller return on equity.

As in prior years, corporations with the highest long-term profitability tend to be smaller, rapidly expanding firms such as L.A. Gear, MagneTek and Delta Woodside Industries. But there are exceptions. A significant restructuring can easily make a big established corporation look like an earnings dynamo.

Union Carbide's 32% return on equity is the highest among the 15 diversified chemical companies in this survey. Remember: This high return reflects not so much high profitability as it does a thin equity base. In 1986 Union Carbide restructured and slashed stockholders' equity to fend off an unwanted takeover. The company has gradually replenished its equity. On the basis of its latest 12-month return on equity, 14%, Union Carbide places ninth in its industry.

Even in a down year there are some standouts. Earnings rose close to 60% for Microsoft and Coca-Cola, and more than 40% for Nike. As a result, all three companies showed spectacular profitability performance over the last 12 months.

For more information on how FORBES calculates return on equity and other yardstick figures, see page 95. ■

Company	rank	—Return on equity— 5-year average %	latest 12 mos %	Company	rank	—Return on equity— 5-year average %	latest 12 mos %	Company	rank	—Return on equity— 5-year average %	latest 12 mos %
LA Gear	1	83.2a	27.8	Microsoft	16	50.4	39.5	Compaq Computer	31	42.7	30.5
Pulitzer Publishing	2	80.6	41.7	Rollins	17	50.4	37.3	Carnival Cruise Lines	32	42.3	23.4
Georgia Gulf	3	78.4a	31.4	Conseco	18	47.6	24.9	Marsh & McLennan Cos	33	41.7	34.7
Delta Woodside Inds	4	63.7	3.5	Lands' End	19	47.5	14.2	Wellman	34	41.7a	20.6
Allegheny Ludlum	5	63.7b	27.9	Sotheby's Holdings	20	46.7	46.0	CBS	35	41.6	12.0
MagneTek	6	61.6	28.9	General Cinema	21	46.6	4.0	Gitano Group	36	41.5b	24.7
Teledyne	7	60.9a	24.1	Novell	22	46.6	31.2	Mark IV Industries	37	40.9	36.2
Reader's Digest Assn	8	60.3a	35.9	Conner Peripherals	23	46.4b	40.3	Harley-Davidson	38	40.4	28.7
FHP International	9	60.2b	22.8	Reebok International	24	45.1	20.2	Liz Claiborne	39	40.2	31.4
WTD Industries	10	58.7	def	Inco	25	44.9	34.3	Syntex	40	39.6	53.4
Vista Chemical	11	56.4	NE	Merck	26	44.6	48.9	Jostens	41	39.3	25.2
American Home Prods	12	55.4	61.1	Everex Systems	27	44.3	20.9	Coca-Cola	42	39.1	57.0
Holly Corp	13	52.3	500.0+	PSI Resources	28	43.7	20.4	Kellogg	43	39.0	27.8
General Mills	14	51.0a	46.0	Ralston Purina	29	43.5	32.1	Student Loan	44	38.3	33.9
Oracle Systems	15	50.6	20.9	Bandag	30	43.3	36.5	Union Texas Petrol	45	37.4	8.9

NA: Not available. NE: Negative equity. def: Deficit. a: Four-year average. b: Three-year average.

Company	rank	—Return on equity— 5-year average %	latest 12 mos %
Apple Computer	46	37.2	32.0
UST Inc	47	36.6	42.1
Circus Circus	48	36.1	44.2
Lotus Development	49	36.1	29.3
Wal-Mart Stores	50	36.0	29.7
Phillips-Van Heusen	51	36.0	16.1
Marion Merrell Dow	52	35.8	42.5
First Capital Holding	53	35.6	12.3
Maxxam	54	35.6	68.7
Limited	55	35.4	30.3
Valhi	56	34.5	24.9
Abbott Laboratories	57	34.4	34.7
Morgan Stanley	58	34.2a	19.1
Warner-Lambert	59	34.1	41.9
Affiliated Pubs	60	33.9	16.0
Washington Post	61	33.8	19.8
Philip Morris Cos	62	33.7	37.0
Birmingham Steel	63	33.3a	9.5
Charter	64	33.2	def
Waxman Inds	65	33.2	18.2
Arden Group	66	33.0	27.7
Gap	67	32.8	35.9
Hudson Foods	68	32.3	7.3
20th Century Inds	69	32.3	25.5
Paramount Commun	70	32.2	37.2
Union Carbide	71	32.2	14.4
Danaher	72	32.1	29.4
Food Lion	73	32.0	30.5
Kelly Services	74	31.6	25.2
Terex	75	31.6	23.0
Tyson Foods	76	31.4	26.2
Intelligent Electron	77	31.0	27.6
Circuit City Stores	78	30.9	22.6
UAL	79	30.8	14.4
Deluxe	80	30.8	26.6
Geico	81	30.6	24.3
Argonaut Group	82	30.6	17.3
Computer Associates	83	30.4	17.1
Harman International	84	30.2	12.3
Blair	85	30.1	32.0
Martin Marietta	86	29.9	25.3
Air Express Intl	87	29.9	26.4
Dow Chemical	88	29.8	19.0
Merisel	89	29.8	6.9
Smithfield Foods	90	29.4	28.5
Hartford Steam Boiler	91	29.1	22.5
Blockbuster	92	28.8	27.6
Stone Container	93	28.7	11.2
Pilgrim's Pride	94	28.7	18.7
Wm Wrigley Jr	95	28.6	32.9
PepsiCo	96	28.5	25.7
Progressive	97	28.0	19.6
Alexander & Baldwin	98	27.9	18.0
Getty Petroleum	99	27.7	10.0
Dow Jones	100	27.7	8.8
Ryland Group	101	27.7	15.0
Stanhome	102	27.5	28.1
Micron Technology	103	27.4	1.0
Price Co	104	27.1	23.0
Maytag	105	26.9	12.5
Sigma-Aldrich	106	26.9	22.8
CPC International	107	26.8	25.7
NIKE	108	26.8	39.1
Kaufman & Broad Home	109	26.6b	29.9
Johnson & Johnson	110	26.5	26.8
Walt Disney	111	26.4	26.7
Commerce Clearing	112	26.4	16.7
Dun & Bradstreet	113	26.1	23.6
Merry-Go-Round	114	25.9	33.3
Albany International	115	25.9	8.2
HJ Heinz	116	25.8	27.1
CDI	117	25.8	13.3
Caesars World	118	25.8	13.6
Federal Paper Board	119	25.7	20.5
Western Publishing	120	25.6	10.0
Ford Motor	121	25.5	7.5
Federal Natl Mortgage	122	25.5	33.6
PacifiCare Health	123	25.3	36.3
Pic'N'Save	124	25.1	7.2
JB Hunt Transport	125	25.1	18.2
Torchmark	126	25.1	28.8
Standard Products	127	25.0	5.7
PH Glatfelter	128	25.0	21.8
Home Depot	129	25.0	27.5
New York Times	130	24.9	3.3
Loews	131	24.9	18.5
H&R Block	132	24.9	25.4
Centel	133	24.9	25.4
Cray Research	134	24.8	21.7
Shaw Industries	135	24.8	29.6
LADD Furniture	136	24.8	6.3
Eli Lilly	137	24.8	26.9
Giant Food	138	24.8	23.0
Handleman	139	24.7	15.6
Olsten	140	24.7	17.4
Stride Rite	141	24.7	32.4
Marriott	142	24.5	16.5
Browning-Ferris Inds	143	24.3	def
Raytheon	144	24.2	22.7
Waste Management	145	24.2	23.7
Spiegel	146	24.2	18.1
Tyco Laboratories	147	24.2	23.0
JWP	148	24.2	26.8
Gillette	149	24.1	47.6
MCI Communications	150	24.0	17.6
Schering-Plough	151	23.9	27.9
Longview Fibre	152	23.8	15.7
Atlantic Richfield	153	23.8	23.4
McCormick & Co	154	23.8	18.2
TBC	155	23.8	23.9
Golden West Finl	156	23.8	17.2
Westinghouse	157	23.6	22.3
Anheuser-Busch Cos	158	23.6	22.9
EG&G	159	23.5	20.9
Willamette Inds	160	23.2	18.7
Safety-Kleen	161	23.1	19.2
Oshkosh Truck	162	23.1	1.4
Premier Industrial	163	23.1	32.8
Great Lakes Chemical	164	23.1	23.0
Precision Castparts	165	23.0	12.9
Rubbermaid	166	22.9	21.8
Melville	167	22.9	19.5
Charming Shoppes	168	22.8	13.7
Freeport-McMoRan	169	22.8	90.5
Tosco	170	22.8	62.6
Brown-Forman	171	22.8	15.4
WR Berkley	172	22.8	13.0
HON Industries	173	22.7	24.3
Albertson's	174	22.7	23.8
ConAgra	175	22.6	22.9
Pope & Talbot	176	22.6	16.6
Fruit of the Loom	177	22.5a	28.3
Equifax	178	22.5	16.3
Loctite	179	22.5	25.0
Sun Microsystems	180	22.5	15.7
CR Bard	181	22.4	12.9
Mercury General	182	22.3	31.1
Gannett	183	22.3	19.4
Valspar	184	22.3	22.8
McDonald's	185	22.2	21.1
Knight-Ridder	186	22.1	18.3
Rockwell Intl	187	22.1	16.1
Snap-on Tools	188	22.0	18.5
Betz Laboratories	189	22.0	22.3
Consolidated Papers	190	21.9	18.7
Nalco Chemical	191	21.9	27.0
Sara Lee	192	21.9	18.8
Toys 'R' Us	193	21.8	18.8
Fairchild	194	21.8	11.2
Sonoco Products	195	21.8	9.4
Medtronic	196	21.7	19.4
Times Mirror	197	21.6	10.6
Colgate-Palmolive	198	21.6	21.0
Minn Mining & Mfg	199	21.6	22.1
Genuine Parts	200	21.5	21.1
Gibson Greetings	201	21.5	17.2
American Express	202	21.4	4.9
WLR Foods	203	21.4	15.8
American Brands	204	21.4	25.3
Nacco Industries	205	21.3	16.8
Lance	206	21.3	21.4
Selective Insurance	207	21.3	14.1
Toro	208	21.2	13.9
Pinkerton	209	21.2a	31.1
Dean Foods	210	21.2	19.5
Vulcan Materials	211	21.2	18.3
Interpublic Group	212	21.2	21.0
Worthington Inds	213	21.1	16.2
Ethyl	214	21.1	25.5
Chemed	215	21.0	11.9
Seagate Technology	216	21.0	17.3
Drug Emporium	217	21.0	14.9
A Schulman	218	20.8	21.9
Illinois Tool Works	219	20.8	20.3
AMAX	220	20.8	10.9
LIVE Entertainment	221	20.8	11.9
Genesco	222	20.8	5.8
Walgreen	223	20.8	21.2
Kimberly-Clark	224	20.7	20.8
Bristol-Myers Squibb	225	20.7b	19.0
Quaker Oats	226	20.7	10.9
Hillenbrand Inds	227	20.7	19.0
Pall	228	20.6	17.8
American Intl Group	229	20.5	16.9
Rhône-Poulenc Rorer	230	20.5	def
Burlington Northern	231	20.4	24.1

NA: Not available. NE: Negative equity. def: Deficit. a: Four-year average. b: Three-year average.

WHO'S WHERE IN PROFITABILITY

Company	rank	—Return on equity— 5-year average %	latest 12 mos %
Tandy	232	20.3	16.4
PPG Industries	233	20.3	18.9
Hannaford Bros	234	20.3	19.1
Ametek	235	20.3	18.9
Nordstrom	236	20.2	13.8
Alco Standard	237	20.2	17.3
Hershey Foods	238	20.2	20.0
Household Intl	239	20.1	17.9
Capital Holding	240	20.1	13.0
Bruno's	241	20.1	20.0
Florida Rock Inds	242	20.1	12.8
Western Digital	243	20.0	7.9
National Health Labs	244	20.0b	23.7
Humana	245	19.9	22.8
VF	246	19.9	15.8
Intl Flavors & Frags	247	19.9	19.9
AMP	248	19.9	17.8
Hubbell	249	19.9	19.5
Comdisco	250	19.8	15.3
State Street Boston	251	19.8	18.6
Paccar	252	19.8	15.6
Rite Aid	253	19.8	14.8
Emerson Electric	254	19.8	19.9
3Com	255	19.7a	11.1
JM Smucker	256	19.7	17.6
Georgia-Pacific	257	19.7	17.2
Pitney Bowes	258	19.6	9.9
General Re	259	19.6	19.2
Savannah Foods	260	19.6	28.7
Tribune	261	19.6	13.6
First Union	262	19.5	12.7
Bear Stearns Cos	263	19.5b	10.9
Herman Miller	264	19.5	16.2
Tambrands	265	19.5	8.4
Michigan National	266	19.4	9.2
Gerber Products	267	19.4	27.9
Automatic Data	268	19.4	20.8
Smith's Food & Drug	269	19.4a	13.5
American Family	270	19.4	15.6
Newell Co	271	19.3	22.6
Kellwood	272	19.2	2.1
Scott Paper	273	19.2	13.6
Safeco	274	19.1	14.3
Dover	275	19.1	21.1
Clorox	276	19.1	18.5
Interface	277	19.0	16.3
General Electric	278	19.0	20.5
Sherwin-Williams	279	19.0	18.0
Bancorp Hawaii	280	19.0	18.5
MCN	281	18.9b	12.4
Super Valu Stores	282	18.9	17.3
Amdahl	283	18.9	13.8
Phelps Dodge	284	18.9	15.8
Reynolds Metals	285	18.9	15.5
Quantum	286	18.8	33.3
Becton Dickinson	287	18.8	16.7
Leucadia National	288	18.8	35.8
Pfizer	289	18.8	15.9
Leggett & Platt	290	18.8	16.0
Vishay Intertech	291	18.8	17.8
Lockheed	292	18.7	4.9
Hanover Insurance	293	18.6	6.3
Chrysler	294	18.6	def
Flowers Industries	295	18.6	15.6
Russell	296	18.5	17.0
General Dynamics	297	18.5	1.6
Mapco	298	18.4	28.7
NCR	299	18.4	20.3
CoreStates Financial	300	18.4	18.2
RR Donnelley & Sons	301	18.3	15.6
Eaton	302	18.3	15.6
St Paul Cos	303	18.2	18.1
Dillard Dept Stores	304	18.2	16.3
Wetterau	305	18.2	20.5
Loral	306	18.2	13.9
Adia Services	307	18.2	10.8
Family Dollar Stores	308	18.2	16.1
Signet Banking	309	18.1	9.0
Cooper Tire & Rubber	310	18.1	21.0
Wells Fargo	311	18.1	27.9
MNC Financial	312	18.1	def
Thomas & Betts	313	18.1	14.2
Crane	314	18.1	21.0
Commtron	315	18.0	16.8
Sequa	316	18.0	8.5
Chubb	317	18.0	16.8
Ecolab	318	18.0	3.4
Weis Markets	319	17.9	15.2
Blount	320	17.9	7.8
SunTrust Banks	321	17.9	16.7
C&S/Sovran	322	17.9	11.4
Armstrong World Inds	323	17.8	15.6
Quantum Chemical	324	17.8	NE
Sysco	325	17.8	19.5
NCNB	326	17.7	16.3
Goodyear	327	17.7	def
May Dept Stores	328	17.7	19.3
Bausch & Lomb	329	17.7	17.5
National City	330	17.7	17.7
US Healthcare	331	17.7	31.8
CNA Financial	332	17.7	8.7
Rohm & Haas	333	17.6	14.6
Longs Drug Stores	334	17.6	17.0
Aon	335	17.6	16.4
Figgie Intl	336	17.6	16.8
Universal	337	17.6	9.6
AST Research	338	17.6	30.5
WW Grainger	339	17.6	17.0
Alberto-Culver	340	17.6	21.3
Dibrell Brothers	341	17.5	15.9
Willcox & Gibbs	342	17.5	11.9
Old Kent Financial	343	17.5	15.9
Fleet/Norstar Finl	344	17.5	3.9
Seaway Food Town	345	17.5	9.1
Consolidated Stores	346	17.5	def
Bob Evans Farms	347	17.5	13.1
Stewart & Stevenson	348	17.5	18.9
USG	349	17.4	NE
Cincinnati G&E	350	17.4	16.6
Valmont Industries	351	17.4	18.0
TRW	352	17.4	13.0
Banc One	353	17.4	17.4
Apogee Enterprises	354	17.4	16.7
Masco	355	17.4	9.8
First Wachovia	356	17.4	16.6
Wallace Computer Svs	357	17.3	16.1
General Motors EDS	358	17.3	11.2
Schultz Sav-O Stores	359	17.3	11.7
Lukens	360	17.3	22.1
Fleetwood Enterprises	361	17.3	12.2
Potomac Electric	362	17.3	12.6
Woolworth	363	17.3	16.7
SouthTrust	364	17.3	13.7
Alltel	365	17.3	16.8
Sudbury	366	17.2	0.0
Universal Foods	367	17.2	23.5
AG Edwards	368	17.2	16.3
Winn-Dixie Stores	369	17.2	19.1
Barnett Banks	370	17.2	9.7
Banta	371	17.2	8.5
Best Buy Co	372	17.1	9.0
Cincinnati Bell	373	17.1	15.3
Kemper	374	17.0	0.9
Jacobs Engineering	375	17.0	23.4
QVC Network	376	17.0b	def
Dayton Hudson	377	17.0	19.4
Mead	378	17.0	9.3
Temple-Inland	379	17.0	18.0
Reynolds & Reynolds	380	17.0	19.8
Molex	381	17.0	14.2
National Service	382	16.9	16.2
Delta Air Lines	383	16.9	3.5
Bowater	384	16.9	10.4
Morton International	385	16.9	14.9
Omnicom Group	386	16.9	22.3
Midlantic	387	16.9	def
Curtice Burns Foods	388	16.9	5.9
Union Camp	389	16.8	13.7
Casey's General Store	390	16.8	11.1
First Financial Mgmt	391	16.8	13.1
E-Systems	392	16.8	14.7
Upjohn	393	16.8	11.0
Applied Power	394	16.8	21.5
Southwestern Pub Svc	395	16.8	17.6
Nicor	396	16.8	18.5
Kimball International	397	16.8	16.2
Intel	398	16.7	22.0
Super Food Services	399	16.7	16.0
JC Penney	400	16.7	15.6
Square D	401	16.7	17.6
Federal Signal	402	16.7	22.3
PNC Financial	403	16.7	8.5
RPM	404	16.6	18.3
Cincinnati Financial	405	16.6	12.1
Cardinal Distribution	406	16.6	11.8
Potlatch	407	16.6	16.1
Carter-Wallace	408	16.6	15.1
Southdown	409	16.5	13.5
Bemis	410	16.5	18.6
NCH	411	16.5	19.9
Masco Industries	412	16.4	0.0
La-Z-Boy Chair	413	16.4	12.1
Marshall & Ilsley	414	16.4	14.0
Reliance Group	415	16.4	67.4
Ogden	416	16.4	15.3
Modine Manufacturing	417	16.4	14.8

NA: Not available. NE: Negative equity. def: Deficit. a: Four-year average. b: Three-year average.

Company	rank	—Return on equity— 5-year average %	latest 12 mos %
Fuqua Industries	418	16.3	3.5
Dominion Bankshares	419	16.3	2.3
United Stationers	420	16.3	7.5
UJB Financial	421	16.3	4.1
Digital Equipment	422	16.2	def
Rouse	423	16.2	def
Hewlett-Packard	424	16.2	13.4
GATX	425	16.2	14.5
Minnesota Power & Lt	426	16.2	11.7
Lubrizol	427	16.2	27.1
Marshall Industries	428	16.1	14.9
Maxtor	429	16.1	12.3
Alcan Aluminium	430	16.1	10.3
Nucor	431	16.1	11.9
Ohio Casualty	432	16.1	10.4
Hilton Hotels	433	16.1	12.6
Leslie Fay Cos	434	16.0	17.9
Morrison	435	16.0	12.4
Central Newspapers	436	16.0a	12.5
United Telecom	437	15.9	15.8
Bergen Brunswig	438	15.9	15.9
Asarco	439	15.9	14.2
Capital Cities/ABC	440	15.9	15.3
Ameritech	441	15.9	15.7
First American Finl	442	15.9	6.4
Stanley Works	443	15.7	14.7
SPX	444	15.7	7.8
Block Drug	445	15.7	14.1
Applied Materials	446	15.6	15.9
Millipore	447	15.6	13.3
InterTAN	448	15.6b	11.1
Phillips Petroleum	449	15.6	2.0
Wisconsin Energy	450	15.6	13.7
Peoples Energy	451	15.6	12.8
Standard Register	452	15.6	12.1
Mercantile Stores	453	15.6	12.2
Ipalco Enterprises	454	15.5	13.9
Chesapeake	455	15.5	8.1
Corning	456	15.5	16.2
CalMat	457	15.5	21.2
Alexander & Alexander	458	15.5	12.8
Society	459	15.5	16.2
South Carolina Natl	460	15.5	12.7
NBD Bancorp	461	15.4	16.0
Edison Bros Stores	462	15.4	26.6
Dynatech	463	15.4	11.5
LB Foster	464	15.4	4.0
Texas Instruments	465	15.4	0.9
Wackenhut	466	15.4	19.7
Constar Intl	467	15.3	11.2
McGraw-Hill	468	15.3	2.6
Pep Boys	469	15.3	12.6
Intergraph	470	15.3	10.6
Florida Progress	471	15.2	11.6
Zenith National Ins	472	15.2	10.2
Security Pacific	473	15.2	16.3
Computer Sciences	474	15.2	14.3
Village Super Market	475	15.2	9.0
Marsh Supermarkets	476	15.2	16.7
Geo A Hormel	477	15.2	16.4
TECO Energy	478	15.2	15.5
Diamond Shamrock	479	15.1b	21.2
SCEcorp	480	15.1	13.7
First of America Bank	481	15.1	13.7
Univar	482	15.1	16.9
Chiquita Brands Intl	483	15.1	17.3
Westvaco	484	15.1	12.7
Castle & Cooke	485	15.1a	14.9
AAR Corp	486	15.1	14.2
Contel	487	15.0	12.7
Moore Corp	488	15.0	10.6
Alcoa	489	15.0	11.6
BayBanks	490	15.0	def
Helene Curtis Inds	491	15.0	5.8
GenCorp	492	15.0	18.0
Baltimore G&E	493	15.0	9.3
Huntington Bcshs	494	15.0	11.4
Pentair	495	15.0	10.0
Central Steel & Wire	496	14.9	10.5
Collins Foods Intl	497	14.9	11.8
Ingles Markets	498	14.9	9.6
Crown Cork & Seal	499	14.9	13.1
KeyCorp	500	14.9	15.0
Mattel	501	14.8	43.5
Strawbridge	502	14.8	12.5
So N England Telecom	503	14.8	11.5
Crestar Financial	504	14.8	12.0
Old Republic Intl	505	14.8	15.0
Ferro	506	14.8	8.8
Procter & Gamble	507	14.7	20.2
Businessland	508	14.7	def
Burlington Coat	509	14.7	11.7
Air Prods & Chems	510	14.7	15.8
Thomas Industries	511	14.7	11.9
Pioneer Hi-Bred Intl	512	14.7	11.7
Imperial Holly	513	14.7	16.8
San Diego G&E	514	14.6	16.2
Kentucky Utilities	515	14.6	15.1
Pacific Telesis	516	14.6	14.0
International Paper	517	14.6	14.4
El du Pont de Nemours	518	14.6	15.1
Union Electric	519	14.6	15.8
Manufacturers Natl	520	14.6	16.2
No States Power	521	14.5	14.8
UtiliCorp United	522	14.5	11.5
Thiokol	523	14.5	17.2
Laclede Gas	524	14.5	7.8
Piedmont Natural Gas	525	14.5	14.1
Comerica	526	14.5	18.6
Grey Advertising	527	14.5	13.2
Manor Care	528	14.5	13.4
Standard Fedl Bank	529	14.4b	9.0
Boise Cascade	530	14.4	6.6
Union Bank	531	14.4	17.0
BellSouth	532	14.4	13.3
GTE	533	14.4	17.0
Ross Stores	534	14.4	20.5
Oklahoma G&E	535	14.4	16.0
Berkshire Hathaway	536	14.4	7.7
AmSouth Bancorp	537	14.4	10.9
US Bancorp	538	14.3	16.7
Scana	539	14.3	20.0
PacifiCorp	540	14.3	14.7
DPL	541	14.3	14.8
Archer Daniels	542	14.3	14.3
American Cyanamid	543	14.3	14.4
US West	544	14.3	13.8
Public Service Colo	545	14.3	14.9
Meridian Bancorp	546	14.2	3.8
General Public Utils	547	14.2	13.7
Exxon	548	14.2	12.6
Fay's	549	14.2	15.8
SCI Systems	550	14.1	8.7
American Electric	551	14.1	13.1
Houghton Mifflin	552	14.1	12.5
Litton Industries	553	14.1	13.3
Atlantic Energy	554	14.1	12.2
Beckman Instruments	555	14.1b	13.5
Dana	556	14.1	9.1
Allegheny Power	557	14.0	12.0
Ashland Oil	558	14.0	16.2
Dexter	559	14.0	12.9
WPL Holdings	560	14.0	15.6
Monsanto	561	14.0	15.6
AM Castle & Co	562	14.0	8.3
Duke Power	563	13.9	14.5
Washington Gas Light	564	13.9	12.7
Louisiana-Pacific	565	13.9	11.4
Northern Telecom	566	13.8	15.4
Durr-Fillauer	567	13.8	14.7
Bell Atlantic	568	13.8	12.1
Lancaster Colony	569	13.8	11.4
IBM	570	13.8	10.8
Central & So West	571	13.8	13.3
Hechinger	572	13.8	8.4
Raychem	573	13.8	def
Wisconsin Public Svc	574	13.8	12.1
Great A&P Tea	575	13.8	14.0
Iowa-Illinois G&E	576	13.8	11.7
Dominion Resources	577	13.8	14.4
Orange & Rockland	578	13.7	13.3
HF Ahmanson	579	13.7	12.4
Tandem Computers	580	13.7	11.0
MicroAge	581	13.7	22.4
Rochester Telephone	582	13.7	11.0
Kansas Power & Light	583	13.7	11.6
Firstar	584	13.7	17.1
Commerce Bcshs	585	13.6	13.5
Pennsylvania P&L	586	13.6	14.9
Delmarva Power & Lt	587	13.6	12.4
Texas Utilities	588	13.6	14.3
PHM	589	13.6	11.5
INB Financial	590	13.6	10.4
Eastman Kodak	591	13.6	4.7
Southwest Gas	592	13.6	8.7
AMR	593	13.6	5.6
Consolidated Edison	594	13.6	11.8
Guilford Mills	595	13.6	def
FPL Group	596	13.5	def
Circle K	597	13.5	NE
Lafarge	598	13.4	7.8
CILcorp	599	13.4	11.0
EW Scripps	600	13.4b	8.9
Coastal Corp	601	13.4	11.4
Avery Dennison	602	13.4a	10.7
PHH	603	13.4	10.4

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WHO'S WHERE IN PROFITABILITY

Company	rank	—Return on equity— 5-year average %	latest 12 mos %
Salem Carpet Mills	604	13.4	5.5
Dixie Yarns	605	13.4	3.9
Hasbro	606	13.4	10.7
Transamerica	607	13.3	11.0
Pub Svc Enterprise	608	13.3	12.5
Hills Dept Stores	609	13.3a	def
Allied-Signal	610	13.3	14.1
Lincoln Electric	611	13.3	12.8
Northern Trust	612	13.3	18.5
General Motors	613	13.3	def
Ruddick	614	13.3	14.6
Brooklyn Union Gas	615	13.2	10.7
Seagram	616	13.2	13.3
Inacomp Computer	617	13.2	15.2
Commercial Metals	618	13.2	13.4
Southwestern Bell	619	13.2	12.8
Midwest Resources	620	13.2	11.0
Kmart	621	13.2	6.7
Wicor	622	13.1	9.3
HB Fuller	623	13.1	10.4
Donaldson	624	13.1	16.6
Parker Hannifin	625	13.1	12.1
Cooper Industries	626	13.1	12.0
Washington Mutual	627	13.0	7.3
Premark Intl	628	13.0b	5.5
Textron	629	13.0	10.7
Commonwealth Energy	630	13.0	10.2
National Medical	631	12.9	20.4
Amoco	632	12.9	12.4
GlenFed	633	12.9	9.6
Seaboard	633	12.9	13.5
Champion Intl	635	12.9	7.7
Puget Sound P&L	636	12.9	11.6
Brunswick	637	12.8	9.4
Houston Industries	638	12.8	11.1
Southern Company	639	12.8	9.1
Tecumseh Products	640	12.8	4.5
Service Merchandise	641	12.8	NE
Kentucky Central Life	642	12.7	7.6
Nashua	643	12.7	10.9
Whirlpool	644	12.7	12.3
Kaman	645	12.7	10.7
Norwest	646	12.7	19.0
Delchamps	647	12.7	13.9
James River Corp Va	648	12.6	2.2
Ingersoll-Rand	649	12.6	14.6
LG&E Energy	650	12.6	10.5
Oneida	651	12.6	9.3
United Technologies	652	12.6	14.6
Ply Gem Industries	653	12.6	5.8
Philadelphia Elec	654	12.6	3.0
Uslico	655	12.6	9.4
Genovese Drug Stores	656	12.6	9.5
Barnes Group	657	12.6	8.6
HomeFed	658	12.5	def
Town & Country	659	12.5	7.3
Lowe's Cos	660	12.5	12.7
Nynex	661	12.5	8.9
Boeing	662	12.5	18.7
Aetna Life & Cas	663	12.4	8.7
Carolina Power & Lt	664	12.4	10.8
Olin	665	12.3	14.7
Motorola	666	12.3	13.7
Yellow Freight Sys	667	12.3	5.4
Centex	668	12.3	13.5
Thermo Electron	669	12.3	13.1
Alaska Air Group	670	12.3	8.2
Quanex	671	12.2	15.4
Lennar	672	12.2	7.4
Primerica	673	12.2	13.9
McKesson	674	12.2	10.7
Ohio Edison	675	12.1	11.8
Kennametal	676	12.1	15.0
Mobil	677	12.1	10.1
Zurn Industries	678	12.1	12.3
Roadway Services	679	12.1	14.4
Cipsco	680	12.1	11.4
Rykoff-Sexton	681	12.1	5.4
Northeast Utilities	682	12.0	12.5
Johnson Controls	683	12.0	7.3
Hercules	684	12.0	def
IE Industries	685	12.0	22.5
Gt Western Financial	686	12.0	5.7
First Tennessee Natl	687	12.0	12.5
Provident Life & Acc	688	12.0	15.0
UGI	689	12.0	9.3
Nash Finch	690	11.9	11.2
Ball Corp	691	11.9	10.2
American Stores	692	11.9	12.6
Consol Natural Gas	693	11.9	9.4
Trinova	694	11.9	9.8
Meredith	695	11.9	9.2
Morgan Products Ltd	696	11.9	def
Standex International	697	11.9	16.1
National Fuel Gas	698	11.8	11.1
NWNL	699	11.8	10.5
Hawaiian Electric	700	11.8	9.6
St Joe Paper	701	11.8a	7.3
Scientific-Atlanta	702	11.7	15.0
American General	703	11.6	11.3
Baxter International	704	11.6	def
Shoney's	705	11.6	NE
Huffy	706	11.6	19.0
FirstFed Michigan	707	11.6	7.2
Carlisle Cos	708	11.5	10.5
NY State E&G	709	11.4	12.0
Caterpillar	710	11.4	6.8
Commonwealth Ed	711	11.4	def
Mine Safety Appliance	712	11.4	11.8
Lincoln National	713	11.4	9.9
Atlanta Gas Light	714	11.4	10.4
Cyprus Minerals	715	11.4	10.2
Fleming Cos	716	11.3	12.3
Trinity Industries	717	11.3	9.7
Bethlehem Steel	718	11.3	4.5
Weyerhaeuser	719	11.2	4.8
Central Maine Power	720	11.2	11.3
Magma Copper	721	11.2b	19.5
Pacific Enterprises	722	11.2	def
Ameritrust	723	11.2	0.7
Rohr Industries	724	11.2	3.8
Union Pacific	725	11.1	15.5
UNUM	726	11.1b	14.9
Emerson Radio	727	11.1	def
Liberty Corp	728	11.1	13.2
Enron	729	11.0	14.9
Salomon	730	11.0	10.6
Kansas City P&L	731	11.0	12.4
DQE	732	11.0	11.6
ITT	733	11.0	13.7
Witco	734	11.0	5.4
CalFed	735	10.9	def
Intl Multifoods	736	10.9	8.5
Outboard Marine	737	10.9	def
Equitable Resources	738	10.9	9.8
Pittway	739	10.9a	7.5
Rochester G&E	740	10.8	10.0
Silicon Graphics	741	10.8	16.9
Borden	742	10.7	21.9
PS Group	743	10.7	def
First Chicago	744	10.6	12.5
American Greetings	745	10.6	12.4
MCA	746	10.6	10.6
USF&G	747	10.6	6.7
Tenneco	748	10.5	19.1
American Water Works	749	10.5	8.0
Carl Karcher	750	10.5	8.6
Norfolk Southern	751	10.4	11.7
Sears, Roebuck	752	10.4	8.2
Southwest Airlines	753	10.4	10.3
Holnam	754	10.4	def
Boatmen's Bancshares	755	10.4	12.3
Fred Meyer	756	10.4	def
Echlin	757	10.4	7.4
Campbell Soup	758	10.4	1.6
DWG	759	10.4	def
Beneficial Corp	760	10.3	15.8
Costco Wholesale	761	10.3	17.9
American Building	762	10.3	13.6
National Education	763	10.3	def
Federal Express	764	10.3	8.1
Airborne Freight	765	10.3	18.7
Diebold	766	10.3	7.6
Springs Industries	767	10.3	0.3
Jefferson-Pilot	768	10.3	10.9
Federal-Mogul	769	10.1	4.2
Ameron	770	10.1	9.6
Interlake	771	10.1	NE
American Petrofina	772	10.1	9.1
Skyline	773	10.1	6.1
Ryder System	774	10.1	5.8
Xerox	775	10.1	2.2
CMS Energy	776	10.1	11.2
Equitable of Iowa	777	10.0	8.4
Analog Devices	778	10.0	3.2
Bearings	779	10.0	6.9
Southeast Banking	780	10.0	def
BF Goodrich	781	9.9	11.9
Big B	782	9.9	def
Bank of New York	783	9.9	13.5
Riggs National	784	9.8	2.8
Hexcel	785	9.8	0.3
Hughes Supply	786	9.7	4.8

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WHO'S WHERE IN PROFITABILITY

Company	rank	—Return on equity— 5-year average %	latest 12 mos %
Greyhound Dial	787	9.7	1.4
Independent Insurance	788	9.7	8.7
Standard Motor Prods	789	9.6	4.6
Owens & Minor	790	9.6	7.9
Cigna	791	9.6	7.2
Aztar	792	9.6	26.1
New England Electric	793	9.6	22.5
Consol Freightways	794	9.6	def
Bank of Boston	795	9.6	def
Central Hudson G&E	796	9.5	11.0
Montana Power	797	9.5	9.4
First Mississippi	798	9.5	4.0
Highland Superstores	799	9.5	def
Detroit Edison	800	9.4	19.2
General Signal	801	9.4	5.3
Amerada Hess	802	9.4	12.4
Time Warner	803	9.4	def
Foodarama Supermkts	804	9.3	8.0
Eastern Enterprises	805	9.2	12.9
Dollar General	806	9.1	10.8
MA Hanna	807	9.1	9.8
WR Grace	808	9.0	12.2
MAI Systems	809	9.0a	0.9
USLife	810	9.0	7.5
Culbro	811	9.0	3.8
Petrie Stores	812	9.0	3.7
Goulds Pumps	813	8.9	0.9
Brown Group	814	8.8	10.2
Crown Central Pet	815	8.8	7.0
Rose's Stores	816	8.7	3.4
Hartmarx	817	8.6	def
Medco Containment	818	8.6	3.1
Sundstrand	819	8.6	19.4
UNC	820	8.6	def
American Tel & Tel	821	8.6	21.3
Inland Steel Inds	822	8.6	1.5
American Natl Ins	823	8.6	5.8
Tonka	824	8.5	def
Orion Capital	825	8.5	15.0
Questar	826	8.4	10.5
SPS Technologies	827	8.4	0.6
Unocal	828	8.4	14.6
AH Belo	829	8.4	10.8
Diversified Energies	830	8.4	3.6
Imo Industries	831	8.4	7.9
CSX	832	8.3	12.3
First Security	833	8.2	10.8
Commercial Intertech	834	8.2	6.5
McDonnell Douglas	835	8.2	11.1
Chevron	836	8.1	4.1
Bindley Western Inds	837	8.1	9.1
First Fidelity Bncp	838	8.0	def
Jamesway	839	8.0	def
Grumman	840	8.0	9.7
Pacific G&E	841	7.9	10.5
CRSS	842	7.9	14.6
Harsco	843	7.9	12.4
Bassett Furniture Inds	844	7.9	3.8
Centerior Energy	845	7.8	7.8
Alexander's	846	7.8	def
Nipsco Industries	847	7.7	7.3
Honeywell	848	7.7	34.1
Fremont General	849	7.7	17.5
Kansas Gas & Elec	850	7.6	9.4
Republic New York	851	7.6	20.2
Texaco	852	7.6	14.4
Media General	853	7.6	8.2
First American Corp	854	7.6	def
Dairy Mart	855	7.6	8.1
Butler Manufacturing	856	7.5	16.0
USX	857	7.5	14.4
Tucson Electric	858	7.5	def
Oneok	859	7.4	10.0
Polaroid	860	7.4	15.8
Crystal Brands	861	7.4a	8.9
Arvin Industries	862	7.4	5.3
Shawmut National	863	7.3	def
Merrill Lynch	864	7.3	def
Home Shopping	865	7.3b	22.4
Talman Home Federal	866	7.2b	4.7
Travelers	867	7.2	def
Citicorp	868	7.1	def
Carolina Freight	869	7.1	def
Armco	870	7.0	def
DSC Communications	871	7.0	12.0
US Shoe	872	7.0	11.1
Foremost Corp of Amer	873	6.9	def
Penn Central	874	6.9	5.7
Wyle Laboratories	875	6.9	12.6
Continental Corp	876	6.8	6.8
Talley Industries	877	6.8	5.4
American Bankers	878	6.8	13.6
Columbia Gas System	879	6.8	7.2
Boston Edison	880	6.8	def
Deere & Co	881	6.7	15.8
Acme Steel	882	6.7	3.3
Varity	883	6.7	21.6
Niagara Mohawk Power	884	6.7	8.0
American President	885	6.6	def
Carpenter Technology	886	6.5	13.9
Noland	887	6.5	5.0
Avnet	888	6.4	7.7
PaineWebber Group	889	6.4	3.3
Black & Decker	890	6.3	11.3
Lifetime	891	6.2	14.3
Dresser Industries	892	6.1	10.6
Schlumberger	893	6.0	17.9
Harcourt Brace	894	6.0	NE
Bally Manufacturing	895	6.0	def
Bell Industries	896	6.0	8.0
Harris Corp	897	6.0	12.0
Commercial Federal	898	6.0a	def
USAir Group	899	5.9	def
Fluor	900	5.9	18.5
Cabot	901	5.9	12.8
Coca-Cola Enterprises	902	5.9b	5.2
Harnischfeger Inds	903	5.8	13.0
Perini	904	5.7	3.4
Kroger	905	5.7	NE
Foster Wheeler	906	5.7	7.9
Fieldcrest Cannon	907	5.6	def
Imcera Group	908	5.4	8.3
Dart Group	909	5.3	4.2
Interco	910	5.3	NE
Kerr-McGee	911	5.2	8.6
Wendy's Intl	912	5.2	8.5
Varian Associates	913	5.1	def
Child World	914	5.1	0.1
Universal Health	915	5.1	7.4
Portland General	916	5.0	0.2
Winnebago Industries	917	4.9	def
Newmont Mining	918	4.9	NE
AO Smith	919	4.9	3.0
Westmark Intl	920	4.9b	6.6
Briggs & Stratton	921	4.8	14.9
Handy & Harman	922	4.7	6.6
Monarch Capital	923	4.7	def
Orion Pictures	924	4.5	3.9
General Host	925	4.5	2.5
Sonat	926	4.3	7.4
FMC	927	4.3	NE
Thorn Apple Valley	928	4.3	def
Occidental Petroleum	929	4.2	5.0
Oxford Industries	930	4.2	5.1
Lionel	931	4.2	def
Gulf States Utils	932	4.2	def
Std Commercial	933	4.1	3.8
Sun Company	934	4.0	1.1
Williams Cos	935	3.8	3.6
Adolph Coors	936	3.8	3.4
KN Energy	937	3.8	12.5
Perkin-Elmer	938	3.6	7.8
Salant	939	3.6	def
United Banks of Colo	940	3.6	def
Mercantile Bancorp	941	3.5	12.6
Healthco Intl	942	3.4	def
Service Corp Intl	943	3.4	def
GM Hughes Electronics	944	3.4a	2.0
Weirton Steel	945	3.3	6.1
Engelhard	946	3.2	def
Tektronix	947	3.2	def
Grossman's	948	3.1	5.8
Quaker State	949	3.1	5.7
BankAmerica	950	3.1	14.7
Homestead Financial	951	3.0	def
Long Island Lighting	952	3.0	9.6
Mitchell Energy	953	2.9	5.1
Clark Equipment	954	2.9	11.3
Entergy	955	2.9	10.2
Texas Industries	956	2.9	6.1
CBI Industries	957	2.8	10.0
Preston	958	2.8	def
Timken	959	2.5	4.0
American Maize	960	2.5	1.8
Public Service NM	961	2.4	0.7
Arkla	962	2.4	15.9
Allen Group	963	2.3	11.0
Coast Savings Finl	964	2.2a	def
Illinois Power	965	2.1	2.1
JP Morgan & Co	966	1.9	17.6
United HealthCare	967	1.8	40.0
Volt Info Sciences	968	1.6	1.7
Navistar Intl	969	1.6	def

NA: Not available. NE: Negative equity. def: Deficit. a: Four-year average. b: Three-year average.

Company	rank	—Return on equity— 5-year average %	latest 12 mos %
AM International	970	1.4	def
Transco Energy	971	1.3	6.5
Halliburton	972	1.3	8.8
Owens-Corning	973	1.2	NE
Northrop	974	1.1	15.3
Valero Energy	974	1.1	12.0
Kansas City Southern	976	1.1	13.9
M/A-Com	977	1.1	def
TCF Financial	978	1.1b	def
DeSoto	979	1.0	6.6
LSI Logic	980	1.0	3.3
Unisys	981	1.0	def
Coachmen Industries	982	0.9	def
Turner Corp	983	0.9	13.1
Chase Manhattan	984	0.7	def
Multimedia	985	0.6	NE
Louisiana Land	986	0.5	8.7
Wyman-Gordon	987	0.5	def
Great American Mgmt	988	0.5	21.0
Washington National	989	0.4	0.8
Wholesale Club	990	0.3	18.9
Douglas & Lomason	991	0.2	7.2
Murphy Oil	992	0.2	13.6
Broad	993	0.2a	9.0
Teradyne	994	0.1	def
Nortek	995	0.1	def
Bankers Trust NY	996	def	28.8
United Illuminating	997	def	12.1
Westmoreland Coal	998	def	9.7
Harken Energy	999	def	def
Cincinnati Milacron	1000	def	2.9
Grow Group	1001	def	def
Itel	1002	def	2.7
Chemical Banking	1003	def	9.5
Inspiration Resource	1004	def	0.8
Hadson	1005	def	def
Dime Savings Bank FSB	1006	defb	def
Kerr Glass Mfg	1007	def	def
Pittston	1008	def	3.1
National Intergroup	1009	def	def
Manufacturers Hanover	1010	def	9.9
El Paso Electric	1011	def	def
Tele-Communications	1012	def	def
Advanced Micro	1013	def	def
Intermark	1014	def	def
Avondale Industries	1015	defa	def
Natl Semiconductor	1016	def	def
Atari	1017	def	6.0
Natl Convenience	1018	def	def
First Bank System	1019	def	def
Enstar Group	1020	def	2.6
Valley National	1021	def	def
Allied Products	1022	def	def
First Interstate Bncp	1023	def	def
Pinnacle West	1024	def	def
Continental Bank	1025	def	def
Midway Airlines	1026	def	def
Enserch	1027	def	9.9
Great American Bank	1028	def	def
Cummins Engine	1029	def	def
Ampco-Pittsburgh	1030	def	6.0
Panhandle Eastern	1031	def	4.8
Arrow Electronics	1032	def	4.4
Morrison Knudsen	1033	def	13.2
Egghead	1034	def	5.7
National-Standard	1035	def	def
Finevest Foods	1036	defb	def
Perry Drug Stores	1037	def	11.3
Baker Hughes	1038	def	13.1
Guy F Atkinson	1039	def	def
Zenith Electronics	1040	def	def
Instrument Systems	1041	def	19.3
Balfour Maclaine	1042	defb	def
Mellon Bank	1043	def	14.9
Wang Laboratories	1044	def	def
Avon Products	1045	def	21.2
Petroleum Heat & Pwr	1046	def	NE
Lone Star Industries	1047	def	def
Beverly Enterprises	1048	def	2.9
Ames Dept Stores	1049	def	def
Data General	1050	def	def
US Home	1051	def	def
Wheeling-Pittsburgh	1052	def	NE
ERLY Industries	1053	def	21.3
HH Robertson	1054	def	def
Dravo	1055	def	13.0
Santa Fe Pacific	1056	def	def
McDermott Intl	1057	def	def
Bank of New England	1058	def	def
CrossLand Savings FSB	1059	defa	def
Pennzoil	1060	def	def
Sprague Technologies	1061	def	def
Cross & Trecker	1062	def	def
Horn & Hardart	1063	def	def
Public Service NH	1064	def	def
AMC Entertainment	1065	def	def
UA Entertainment	1066	def	def
America West Airlines	1067	def	def
American Capital	1068	def	def
First Executive	1069	def	def
Premier Bancorp	1070	def	4.4
MLX	1071	def	def
Anacomp	1072	def	NE
Tesoro Petroleum	1073	def	10.1
MDC Holdings	1074	def	def
Landmark Land	1075	def	def
Smith International	1076	def	2.5
Meritor Savings Bank	1077	def	def
Datapoint	1078	def	def
Northeast Federal	1079	def	def
Control Data	1080	def	def
Comcast	1081	def	def
Cablevision Systems	1082	def	NE
ADVO-System	1083	def	26.9
Lone Star Tech	1084	def	def
United Merchants	1085	def	def
AmeriFirst Bank	1086	defb	def
Columbia S&L Assn	1087	def	def
ICH	1088	defb	def
McCaw Cellular	1089	def	41.3
TIE/communications	1090	def	def
Eagle-Picher Inds	1091	def	NE
Pathe Communications	1092	defb	103.2
Continental Airlines	1093	def	NE
LVI Group	1094	def	def
LTV	1095	def	NE
Storage Technology	1096	def	15.5
Turner Broadcasting	1097	def	NE
Savin	1098	def	def
Maxus Energy	1099	defb	NE
Western Union	1100	def	NE
Pan Am	1101	def	NE
Communications Trans	1102	defb	NE
Air & Water Tech		NA	def
Alleghany		NA	11.0
Allergan		NA	9.6
American Cap & Res		NA	17.4
American Medical		NA	def
Anchor Savings Bank		NA	def
Baroid		NA	NA
Burlington Resources		NA	7.1
Carter Hawley Hale		NA	NE
Consolidated Rail		NA	3.7
Cyclops Industries		NA	def
Eagle Food Centers		NA	14.5
Eljer Industries		NA	6.1
ESCO Electronics		NA	0.7
First Brands		NA	29.9
First City Bncp Texas		NA	2.4
Foundation Health		NA	NE
Gaylord Container		NA	def
Genlyte Group		NA	20.3
Goldome		NA	34.6
Henley Group		NA	def
Hillhaven		NA	0.0
IBP		NA	10.0
Illinois Central		NA	NA
IMC Fertilizer Group		NA	10.8
Lyondell Petrochem		NA	500.0+
Manville		NA	17.6
Neiman Marcus Group		NA	1.5
NL Industries		NA	78.0
Oryx Energy		NA	6.0
Penn Traffic		NA	def
People's Bank		NA	def
Promus Cos		NA	0.0
Rexene		NA	NE
Richfood Holding		NA	13.7
Riser Foods		NA	23.5
Charles Schwab		NA	11.8
Smith Corona		NA	NA
Sterling Chemicals		NA	54.3
TIX Cos		NA	31.8
Tredegar Industries		NA	0.0
TW Holdings		NA	0.0
Unitrin		NA	6.1
Viacom		NA	def
Vons Cos		NA	18.3
Waban		NA	8.2
Wheelabrator Tech		NA	8.0
Whitman		NA	def

NA: Not available. NE: Negative equity. def: Deficit. a: Four-year average. b: Three-year average.

WHO'S WHERE IN

THE INDUSTRY GROUPS

In the latest 12 months only three industries—energy, construction and capital goods—beat their five-year average return on equity.

By Robert C. Balancia

THE FOOD, DRINK AND TOBACCO industry was the most profitable during the last five years, with an average return on equity of 18.7%. Although latest 12-month returns slipped somewhat to 16.8%, the category still beat the other 19 industry groups over this period. Health, last year's industry leader in long-term profitability, saw its five-year return on equity remain basically flat.

Five-year return on equity for forest products and packaging companies, ranked fourth, rose from 15.2% to 16.6%. The median five-year earnings-per-share growth rate for forest products was more than three times the all-industry median rate of 6.9%.

Construction shows the lowest five-year average return on equity, 8.8%. Residential housing construction began to slump in July 1988. Meanwhile, high commercial vacancy rates are hurting companies that put up office buildings and shopping malls. Latest 12-month results for the construction group, 10%, are below our all-industry median five-year return on equity of 12.1%.

Sales growth hasn't always translated into profit growth. The travel group has the best five-year sales growth rate, 13.9%, compared with 11.3% for the 20 industries in this survey. But travel, chiefly because of the airlines' problems, had a low return on equity last year, 6.9%. ■

	Profitability					Growth						Sales	Net income	Profit margin
	Return on equity			Return on capital		Sales			Earnings per share					
Industry (number of companies)	rank	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Food, drink & tobacco (64)	**1**	**18.7**	**16.8**	**11.8**	**31.6**	**10**	**11.4**	**7.1**	**2**	**14.4**	**8.6**	**2,490**	**64**	**2.9**
Food processors (38)		20.0	18.4	12.8	26.5		10.5	7.3		14.4	7.3	2,115	64	4.0
Food distributors (12)		15.7	16.0	9.5	39.6		15.9	4.8		9.0	8.6	3,007	19	0.8
Beverages (7)		22.8	15.4	11.9	26.5		11.0	10.8		17.7	9.0	4,672	708	8.0
Tobacco (7)		17.6	15.9	10.1	32.4		14.3	11.3		8.5	26.1	986	37	1.6
Health (45)	**2**	**17.7**	**15.9**	**13.6**	**21.7**	**3**	**13.3**	**13.2**	**4**	**13.4**	**15.7**	**1,886**	**46**	**4.6**
Drugs (18)		20.6	17.5	16.9	13.9		11.9	13.1		13.8	10.2	3,871	380	10.1
Health care services (14)		14.5	20.4	15.1	44.2		13.8	16.2		NM	54.2	1,020	23	2.6
Medical supplies (13)		15.5	12.9	11.3	21.7		16.3	12.9		18.6	6.7	1,180	42	5.4
Business services & supplies (44)	**3**	**17.3**	**13.6**	**10.1**	**32.7**	**2**	**13.6**	**6.9**	**8**	**11.4**	**–13.0**	**676**	**28**	**3.8**
Business services (10)		16.8	15.5	11.4	32.5		17.9	8.3		NM	–15.3	596	13	1.7
Business supplies (22)		16.3	11.8	9.8	25.6		11.7	4.4		9.3	–18.7	796	35	4.5
Industrial services (12)		20.6	14.9	10.3	44.8		20.0	12.7		23.6	–8.7	1,137	33	2.8
Forest products & packaging (32)	**4**	**16.6**	**11.2**	**8.2**	**34.5**	**11**	**11.2**	**2.7**	**1**	**23.3**	**–24.8**	**1,379**	**103**	**4.2**
Paper & lumber (21)		16.8	11.4	8.2	35.2		13.3	2.7		28.4	–24.8	1,921	148	5.9
Packaging (11)		15.9	11.2	8.2	34.1		8.0	3.4		18.8	–27.5	1,094	50	3.5
Chemicals (50)	**5**	**16.5**	**15.3**	**11.8**	**31.4**	**16**	**10.4**	**4.9**	**3**	**13.9**	**–0.4**	**1,266**	**68**	**6.1**
Diversified (15)		14.6	14.6	10.7	25.0		5.9	2.8		17.6	–3.4	2,770	149	4.5
Specialized (35)		16.8	18.3	12.8	31.5		11.3	5.7		12.6	9.9	1,003	66	7.6
Consumer nondurables (49)	**6**	**16.4**	**15.8**	**11.9**	**37.2**	**9**	**11.9**	**9.1**	**6**	**12.3**	**–3.3**	**879**	**50**	**4.2**
Personal products (18)		19.1	19.3	14.4	22.9		10.4	10.7		17.4	3.1	1,310	51	6.0
Apparel & shoes (15)		22.5	17.9	13.0	37.2		12.2	11.5		16.1	2.0	830	50	5.1
Textiles (9)		13.4	3.5	4.9	54.3		21.4	–5.3		8.3	–84.3	531	4	0.8
Photography & toys (7)		13.4	9.4	7.8	29.1		11.0	1.5		NM	36.2	1,444	85	3.2

D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NM: Not meaningful. For further explanation, see page 95.

Industry (number of companies)	Profitability					Growth						Sales	Net income	Profit margin
	Return on equity			Return on capital		Sales			Earnings per share					
	rank	5-year average %	latest 12 mos %	latest 12 mos %	Debt/ capital %	rank	5-year average %	latest 12 mos %	rank	5-year average %	latest 12 mos %	latest 12 mos $mil	latest 12 mos $mil	latest 12 mos %
Entertainment & information (49)	7	**16.4**	**12.0**	**10.1**	**29.6**	8	**12.1**	**5.3**	11	**6.8**	**–0.9**	**1,297**	**32**	**4.9**
Broadcasting & cable (8)		def	def	5.2	85.1		37.9	12.0		NM	P-D	1,442	–21	–1.4
Movies (12)		14.3	11.3	7.1	44.2		18.0	7.7		13.2	–36.0	1,088	13	2.1
Publishing (26)		20.4	12.5	11.3	27.0		9.7	3.8		7.7	–0.6	1,318	47	5.8
Advertising (3)		14.5	22.3	15.2	2.8		11.1	9.7		NM	14.1	655	16	3.3
Retailing (119)	8	**15.2**	**12.6**	**10.4**	**34.2**	4	**12.9**	**10.1**	9	**9.7**	**7.3**	**1,078**	**24**	**1.8**
Department stores (10)		15.2	10.3	8.6	41.3		6.5	4.5		11.7	4.1	2,607	81	3.3
Apparel (14)		20.2	13.8	11.2	23.9		14.6	10.7		13.1	6.9	1,569	49	3.4
Drug & discount (23)		13.3	10.8	8.0	37.7		14.8	12.4		NM	–14.6	937	9	1.0
Specialty (37)		15.0	12.7	11.1	28.1		19.4	19.4		8.7	10.0	911	25	1.8
Supermarkets & convenience (28)		16.0	13.9	9.7	45.6		11.0	6.4		16.4	11.7	1,345	13	1.2
Restaurant chains (7)		14.9	11.8	10.5	26.5		12.4	8.6		10.1	0.0	912	28	3.6
Insurance (65)	9	**14.8**	**12.1**	**9.5**	**18.8**	6	**12.5**	**4.8**	7	**11.9**	**0.4**	**1,371**	**91**	**5.7**
Diversified (25)		15.3	11.3	9.2	16.7		13.0	7.5		10.4	–1.0	2,914	235	6.0
Life & health (18)		11.1	10.7	8.4	25.8		9.7	3.0		5.2	3.1	1,097	51	5.2
Property & casualty (22)		18.0	13.9	10.5	18.3		14.1	2.8		15.9	4.5	1,366	80	5.8
Computers & communications (96)	10	**14.7**	**12.8**	**9.6**	**23.7**	5	**12.6**	**7.3**	14	**–1.6**	**7.0**	**1,217**	**60**	**5.5**
Hardware (66)		13.8	10.9	10.1	18.1		12.6	7.2		NM	6.3	1,048	26	3.6
Software (9)		30.4	20.8	18.8	14.9		45.0	18.1		35.8	18.8	1,276	84	12.5
Telecommunications (21)		14.4	13.8	8.4	35.2		5.9	6.6		4.3	2.1	7,387	339	8.4
Consumer durables (58)	11	**14.4**	**9.2**	**8.1**	**34.2**	15	**10.4**	**4.0**	16	**–4.5**	**–25.2**	**970**	**24**	**2.3**
Automobiles & trucks (7)		18.6	1.4	5.5	42.7		10.5	–2.7		NM	P-D	3,894	50	0.4
Automotive parts (26)		14.9	8.8	8.4	32.5		8.7	4.1		3.7	–12.1	936	25	3.0
Appliances (7)		12.7	12.3	8.5	40.4		13.9	13.1		–8.6	–24.7	926	27	2.2
Home furnishings (12)		15.6	10.6	8.6	32.4		15.0	2.9		5.8	–23.2	840	22	3.0
Recreation equipment (6)		7.9	5.0	3.6	19.6		8.2	–2.2		NM	P-D	686	8	1.3
Aerospace & defense (34)	12	**14.1**	**13.0**	**8.9**	**34.5**	18	**7.7**	**3.5**	10	**6.9**	**–2.8**	**2,825**	**84**	**3.0**
Financial services (119)	13	**13.0**	**10.4**	**7.7**	**30.9**	7	**12.1**	**6.5**	13	**4.7**	**–10.0**	**1,454**	**60**	**4.6**
Multinational banks (10)		1.3	9.7	7.1	44.1		7.9	1.6		NM	D-P	7,858	292	3.7
Regional banks (63)		14.8	12.5	10.8	21.9		13.2	7.3		8.2	–5.7	1,454	88	7.1
Thrift institutions (26)		3.0	def	def	46.3		10.4	–5.7		NM	P-D	927	–36	–4.7
Brokerage & commodity (9)		12.1	10.9	9.4	39.1		13.6	9.3		NM	–7.7	2,367	46	3.5
Lease & finance (11)		20.1	15.8	7.5	64.5		16.7	11.1		13.3	3.1	3,533	130	6.1
Electric utilities (80)	14	**12.9**	**11.7**	**7.0**	**40.2**	19	**2.5**	**4.7**	15	**–4.5**	**3.5**	**1,428**	**129**	**10.5**
Northeast (24)		12.3	11.9	6.9	43.1		2.1	6.8		–6.2	–1.9	1,443	174	9.1
North central (26)		13.3	11.9	7.5	39.9		1.9	2.7		1.3	8.3	1,077	105	11.0
Southeast (10)		13.8	13.0	7.5	36.6		6.2	3.0		4.0	–6.3	2,279	172	12.5
South central (8)		13.2	12.2	7.0	40.7		0.4	5.8		NM	18.6	2,176	246	11.1
Western (12)		10.7	10.0	7.1	42.0		5.8	3.4		NM	–6.3	1,261	98	9.3
Capital goods (56)	15	**12.6**	**12.9**	**9.7**	**26.9**	13	**10.8**	**6.6**	12	**4.8**	**4.8**	**1,225**	**34**	**4.0**
Electrical equipment (15)		17.2	19.5	12.7	25.3		10.1	7.0		10.2	5.2	1,165	85	6.5
Heavy equipment (41)		11.9	12.0	9.5	27.3		11.9	5.6		–8.6	2.5	1,285	32	3.7
Materials (61)	16	**11.9**	**9.6**	**9.0**	**29.8**	12	**10.9**	**–2.1**	17	**NM**	**–31.6**	**1,044**	**43**	**3.1**
Steel (22)		8.6	7.2	7.5	27.7		9.0	–7.3		NM	–34.3	888	23	2.8
Nonferrous metals (14)		15.9	11.2	11.5	28.9		13.0	–2.7		NM	–36.2	2,513	208	6.9
Cement & gypsum (7)		15.5	7.8	9.3	35.3		12.7	–7.3		–23.7	–38.2	567	20	4.0
Other materials (18)		9.9	7.8	7.6	40.9		9.1	4.4		–4.3	–20.8	559	10	2.2
Travel (17)	17	**11.3**	**6.9**	**5.5**	**51.3**	1	**13.9**	**9.8**	17	**NM**	**–52.0**	**1,248**	**47**	**2.0**
Airlines (10)		8.2	def	2.5	42.2		18.1	11.0		NM	–79.8	5,157	6	0.0
Hotels & gaming (7)		20.9	18.5	12.1	53.3		8.8	6.3		30.8	–4.1	992	79	11.7
Transport (21)	18	**10.3**	**9.9**	**6.3**	**32.4**	17	**7.9**	**6.6**	17	**NM**	**–31.6**	**2,227**	**34**	**2.7**
Railroads (8)		9.4	12.3	7.2	35.1		–2.0	2.0		NM	4.1	3,978	178	7.1
Trucking & shipping (9)		9.6	def	0.6	27.2		12.3	8.2		–12.0	P-D	740	–2	–0.3
Air freight (4)		10.3	13.4	8.8	32.1		15.9	16.6		NM	18.5	1,446	24	1.9
Energy (79)	19	**9.3**	**10.0**	**7.2**	**37.6**	20	**–6.6**	**9.2**	17	**NM**	**–2.5**	**1,659**	**63**	**4.0**
Major oils (5)		12.1	12.4	8.5	22.7		–7.6	17.9		–3.8	–7.7	34,832	1,694	3.9
Other oil & gas (31)		8.6	8.9	7.0	44.2		–9.5	12.4		NM	–21.1	1,902	69	2.7
Oilfield services (6)		1.3	10.6	10.3	22.3		–15.5	13.8		NM	65.2	3,405	156	3.7
Gas producers & pipelines (8)		3.8	6.8	5.9	47.0		–7.6	11.9		NM	74.8	2,505	78	2.5
Gas distributors (15)		13.7	11.5	7.5	37.1		–5.1	1.5		NM	–13.4	849	46	5.8
Integrated gas (10)		7.9	10.0	7.0	35.9		–5.8	7.0		–15.4	–0.7	1,620	52	5.1
Coal & other (4)		5.5	10.0	8.6	19.9		9.9	5.5		NM	D-P	1,573	33	3.1
Construction (21)	20	**8.8**	**10.0**	**7.0**	**48.3**	14	**10.7**	**–2.0**	5	**12.7**	**–16.8**	**882**	**14**	**1.9**
Commercial builders (14)		5.9	11.6	7.7	33.1		10.0	5.0		–18.4	14.2	948	13	1.8
Residential builders (7)		12.2	7.4	6.1	61.6		21.7	–8.1		18.3	–38.7	621	19	2.6
All-industry medians		**14.6**	**12.1**	**9.2**	**32.6**		**11.3**	**6.6**		**6.9**	**–2.6**	**1,282**	**49**	**4.0**

D-P: Deficit to profit. P-D: Profit to deficit. def: Deficit. NM: Not meaningful. For further explanation, see page 95.

WHO'S WHERE IN

THIS ISSUE

The following alphabetic summary lists the 1,177 corporations tracked in our industry survey. The table shows how each company was ranked on five-year earnings growth, stock market performance and profitability. The last column gives the page number of the firm's industry report.

	RANK			
Company	Growth	Stock market	Profitability	Page
AAR Corp	143	644	486	96
Abbott Laboratories	258	93	57	172
Acme Steel	NM	375	882	180
Adia Services	165	323	307	100
Advanced Micro	NM	1038	1013	118
ADVO-System	NM	296	1083	154
Aetna Life & Cas	109	801	663	176
Affiliated Pubs	381	**	60	154
HF Ahmanson	333	696	579	156
Air & Water Tech	**	**	**	100
Air Express Intl	167	175	87	188
Air Prods & Chems	378	283	510	112
Airborne Freight	NM	220	765	188
Alaska Air Group	NM	589	670	190
Albany International	75	761	115	170
Alberto-Culver	30	38	340	138
Albertson's	231	20	174	184
Alcan Aluminium	25	384	430	180
Alco Standard	185	238	237	100
Alexander & Alexander	433	809	458	176
Alexander & Baldwin	147	358	98	188
Alexander's	182	836	846	184
Alleghany	**	439	**	176
Allegheny Ludlum	**	396	5	180
Allegheny Power	601	537	557	142
Allen Group	NM	863	963	130
Allergan	**	**	**	172
Allied Products	NM	1032	1022	108
Allied-Signal	NM	870	610	96, 130
Alltel	396	104	365	118
Alcoa	23	389	489	180
ALZA	**	**	**	172
AM International	NM	989	970	100
AMAX	NM	401	220	180
AMC Entertainment	NM	974	1065	154
Amdahl	64	210	283	118
Amerada Hess	NM	217	802	148
America West Airlines	NM	842	1067	190
American Bankers	622	861	878	176
American Brands	345	114	204	164
American Building	NM	513	762	100
American Capital	NM	1076	1068	156
American Cap & Res	19	**	**	100
American Cyanamid	340	236	543	112
American Electric	549	489	551	142

	RANK			
Company	Growth	Stock market	Profitability	Page
American Express	432	713	202	156
American Family	412	352	270	176
American General	594	711	703	176
American Greetings	627	619	745	154
American Home Prods	62	292	12	172
American Intl Group	113	264	229	176
American Maize	NM	434	960	164
American Medical	**	**	**	172
American Natl Ins	688	759	823	176
American Petrofina	NM	230	772	148
American President	NM	805	885	188
American Stores	648	800	692	184
American Tel & Tel	260	400	821	118
American Water Works	599	654	749	142
AmeriFirst Bank	**	1068	1086	156
Ameritech	526	203	441	118
Ameritrust	464	827	723	156
Ameron	461	328	770	180
Ames Dept Stores	NM	1073	1049	184
Ametek	558	824	235	108
Amgen	**	**	**	172
Amoco	NM	262	632	148
AMP	304	502	248	118
Ampco-Pittsburgh	NM	944	1030	108
AMR	482	501	593	190
AmSouth Bancorp	593	765	537	156
Anacomp	NM	813	1072	100
Analog Devices	NM	987	778	118
Anchor Savings Bank	**	1010	**	156
Anheuser-Busch Cos	284	193	158	164
Aon	577	478	335	176
Apogee Enterprises	256	243	354	126
Apple Computer	43	40	46	118
Applied BioScience	**	**	**	172
Applied Biosystems	**	**	**	172
Applied Materials	NM	179	446	118
Applied Power	58	174	394	108
Archer Daniels	152	80	542	164
Arden Group	111	156	66	184
Argonaut Group	321	71	82	176
Arkla	NM	487	962	148
Armco	NM	933	870	180
Armstrong World Inds	302	581	323	180
Arrow Electronics	NM	1008	1032	118
Arvin Industries	684	778	862	130

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. **Not ranked.

Company	RANK Growth	Stock market	Profitability	Page
Asarco	NM	407	439	180
Ashland Oil	NM	308	558	148
AST Research	NM	718	338	118
Atari	NM	994	1017	118
Guy F Atkinson	NM	904	1039	126
Atlanta Gas Light	NM	278	714	148
Atlantic Energy	529	488	554	142
Atlantic Richfield	65	158	153	148
Automatic Data	245	208	268	118
Avery Dennison	220	623	602	100
Avnet	NM	780	888	118
Avon Products	NM	601	1045	138
Avondale Industries	NM	**	1015	188
Aztar	47	951	792	190
Baker Hughes	NM	168	1038	148
Balfour Maclaine	NM	1035	1042	156
Ball Corp	638	668	691	170
Bally Manufacturing	NM	1024	895	190
Baltimore G&E	583	529	493	142
Banc One	392	416	353	156
Bancorp Hawaii	277	166	280	156
Bandag	253	75	30	130
Bank of Boston	663	965	795	156
Bank of New England	NM	1065	1058	156
Bank of New York	NM	882	783	156
BankAmerica	NM	315	950	156
Bankers Trust NY	NM	608	996	156
Banta	492	562	371	154
CR Bard	271	313	181	172
Barnes Group	NM	662	657	130
Barnett Banks	427	782	370	156
Baroid	**	**	**	148
Bassett Furniture Ind	639	752	844	130
Bausch & Lomb	311	181	329	172
Baxter International	104	258	704	172
BayBanks	504	900	490	156
Bear Stearns Cos	368	754	263	156
Bearings	274	650	779	108
Beckman Instruments	**	**	555	172
Becton Dickinson	148	109	287	172
Bell Atlantic	588	161	568	118
Bell Industries	NM	837	896	118
BellSouth	575	279	532	118
AH Belo	672	551	829	154
Bemis	200	101	410	170
Beneficial Corp	NM	685	760	156
Bergen Brunswig	334	339	438	172
WR Berkley	85	342	172	176
Berkshire Hathaway	326	83	536	176
Best Buy Co	NM	854	372	184
Bethlehem Steel	NM	732	718	180
Betz Laboratories	473	144	189	112
Beverly Enterprises	NM	935	1048	172
Big B	NM	918	782	184
Bindley Western Inds	649	517	837	172
Birmingham Steel	38	347	63	180
Black & Decker	NM	911	890	130
Blair	393	587	85	184
H&R Block	346	123	132	156
Block Drug	391	200	445	138

Company	RANK Growth	Stock market	Profitability	Page
Blockbuster	NM	1	92	184
Blount	160	885	320	126
Boatmen's Bancshares	NM	719	755	156
Bob Evans Farms	375	610	347	184
Boeing	609	160	662	96
Boise Cascade	86	667	530	170
Borden	NM	241	742	164
Boston Edison	NM	714	880	142
Bowater	385	755	384	170
Briggs & Stratton	NM	702	921	130
Bristol-Myers Squibb	NM	189	225	172
Broad	NM	**	993	176
Brooklyn Union Gas	NM	403	615	148
Brown-Forman	257	134	171	164
Brown Group	667	819	814	184
Browning-Ferris Inds	208	353	143	100
Bruno's	308	255	241	184
Brunswick	NM	739	637	138
Burlington Coat	495	763	509	184
Burlington Northern	662	**	231	188
Burlington Resources	**	**	**	148
Businessland	NM	1019	508	184
Butler Manufacturing	142	906	856	126
Cablevision Systems	NM	784	1082	154
Cabot	703	554	901	112
Caesars World	122	693	118	190
CalFed	NM	1046	735	156
Calgene	**	**	**	172
CalMat	117	327	457	180
Cambridge Biotech	**	**	**	172
Campbell Soup	516	145	758	164
C&S/Sovran	398	701	322	156
Capital Cities/ABC	192	231	440	154
Capital Holding	246	535	240	176
Cardinal Distribution	248	86	406	172
Carl Karcher	NM	499	750	184
Carlisle Cos	NM	753	708	118
Carnival Cruise Lines	99	469	32	190
Carolina Freight	658	957	869	188
Carolina Power & Lt	NM	329	664	142
Carpenter Technology	NM	545	886	180
Carter Hawley Hale	NM	978	**	184
Carter-Wallace	249	155	408	138
Casey's General Store	252	858	390	184
AM Castle & Co	354	555	562	180
Castle & Cooke	89	92	485	164
Caterpillar	69	588	710	108
CBI Industries	46	178	957	126
CBS	204	363	35	154
CDI	180	500	117	100
Centel	207	125	133	118
Centerior Energy	651	740	845	142
Centex	481	645	668	126
Centocor	**	**	**	172
Central & So West	NM	291	571	142
Central Hudson G&E	666	768	796	142
Central Maine Power	NM	447	720	142
Central Newspapers	519	**	436	154
Central Steel & Wire	343	272	496	180
Cetus	**	**	**	172

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. **Not ranked.

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Company	RANK Growth	Stock market	Profitability	Page
Champion Intl	110	622	635	170
Charming Shoppes	441	717	168	184
Charter	NM	257	64	148
Chase Manhattan	NM	980	984	156
Chemed	NM	844	215	112
Chemical Banking	NM	999	1003	156
Chesapeake	170	612	455	170
Chevron	691	221	836	148
Child World	NM	692	914	184
Chiquita Brands Intl	146	53	483	164
Chiron	**	**	**	172
Chrysler	678	875	294	130
Chubb	98	225	317	176
Cigna	637	856	791	176
CILcorp	572	446	599	142
Cincinnati Bell	303	39	373	118
Cincinnati Financial	342	390	405	176
Cincinnati G&E	469	399	350	142
Cincinnati Milacron	NM	884	1000	108
Cipsco	NM	556	680	142
Circle K	656	1063	597	184
Circuit City Stores	123	192	78	184
Circus Circus	140	52	48	190
Citicorp	657	874	868	156
Clark Equipment	NM	646	954	108
Clorox	467	354	276	138
CMS Energy	NM	32	776	142
CNA Financial	155	669	332	176
Coachmen Industries	NM	1000	982	130
Coast Savings Finl	NM	992	964	156
Coastal Corp	498	153	601	148
Coca-Cola	211	45	42	164
Coca-Cola Enterprises	462	606	902	164
Colgate-Palmolive	119	146	198	138
Collaborative Resrch	**	**	**	172
Collagen	**	**	**	172
Collins Foods Intl	451	605	497	184
Columbia Gas System	361	470	879	148
Columbia S&L Assn	NM	1078	1087	156
Comcast	NM	273	1081	154
Comdisco	NM	695	250	100
Comerica	370	421	526	156
Commerce Bcshs	353	366	585	156
Commerce Clearing	NM	659	112	154
Commercial Federal	NM	1018	898	156
Commercial Intertech	NM	575	834	108
Commercial Metals	166	382	618	156
Commonwealth Ed	644	514	711	142
Commonwealth Energy	619	570	630	142
Commtron	324	802	315	154
Communications Trans	NM	1059	1102	118
Compaq Computer	15	3	31	118
Computer Associates	56	234	83	118
Computer Sciences	276	388	474	118
ConAgra	223	97	175	164
Conner Peripherals	NM	**	23	118
Conseco	8	43	18	176
Consolidated Edison	592	509	594	142
Consol Freightways	478	890	794	188
Consol Natural Gas	606	205	693	148

Company	RANK Growth	Stock market	Profitability	Page
Consolidated Papers	348	506	190	170
Consolidated Rail	679	437	**	188
Consolidated Stores	NM	930	346	184
Constar Intl	300	748	467	170
Contel	NM	78	487	118
Continental Airlines	NM	1023	1093	190
Continental Bank	NM	1005	1025	156
Continental Corp	NM	896	876	176
Control Data	NM	899	1080	118
Cooper Industries	273	202	626	108
Cooper Tire & Rubber	221	34	310	130
Adolph Coors	680	656	936	164
CoreStates Financial	568	655	300	156
Corning	175	419	456	172
Costco Wholesale	6	26	761	184
CPC International	202	47	107	164
Crane	214	**	314	108
Cray Research	289	942	134	118
Crestar Financial	562	796	504	156
Cross & Trecker	NM	1047	1062	108
CrossLand Savings FSB	NM	1075	1059	156
Crown Central Pet	NM	455	815	148
Crown Cork & Seal	297	206	499	170
CRSS	128	102	842	100
Crystal Brands	37	684	861	138
CSX	NM	630	832	188
Culbro	690	969	811	164
Cummins Engine	NM	907	1029	130
Curtice Burns Foods	477	431	388	164
Cyclops Industries	**	941	**	180
Cyprus Minerals	1	418	715	148, 180
Dairy Mart	NM	971	855	184
Dana	NM	706	556	130
Danaher	15	24	72	130
Dart Group	373	857	909	184
Data General	NM	1057	1050	118
Datapoint	NM	992	1078	118
Dayton Hudson	430	531	377	184
Dean Foods	483	374	210	164
Deere & Co	NM	277	881	108
Delchamps	NM	383	647	184
Delmarva Power & Lt	NM	633	587	142
Delta Air Lines	316	332	383	190
Delta Woodside Inds	11	847	4	138
Deluxe	403	365	80	100
DeSoto	NM	485	979	112
Detroit Edison	552	227	800	142
Dexter	517	571	559	112
Diagnostic Products	**	**	**	172
Diamond Shamrock	NM	107	479	148
Dibrell Brothers	508	381	341	164
Diebold	624	721	766	100
Digital Equipment	138	743	422	118
Dillard Dept Stores	265	120	304	184
Dime Savings Bank FSB	NM	1037	1006	156
Walt Disney	78	41	111	154
Diversified Energies	NM	265	830	148
Dixie Yarns	327	251	605	138
Dollar General	646	940	806	184
Dominion Bankshares	511	920	419	156

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. **Not ranked.

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Company	RANK Growth	Stock market	Profitability	Page
Dominion Resources	557	406	577	142
Donaldson	423	164	624	108
RR Donnelley & Sons	426	518	301	154
Douglas & Lomason	NM	835	991	130
Dover	402	260	275	108
Dow Chemical	77	268	88	112
Dow Jones	266	787	100	154
DPL	330	385	541	142
DQE	607	336	732	142
Dravo	NM	774	1055	180
Dresser Industries	NM	148	892	148
Drug Emporium	34	**	217	184
DSC Communications	106	838	871	118
EI du Pont de Nemours	325	302	518	112, 148
Duke Power	571	250	563	142
Dun & Bradstreet	NM	635	113	154
Durr-Fillauer	387	152	567	172
DWG	NM	190	759	138
Dynatech	626	932	463	118
E-Systems	496	566	392	96
Eagle Food Centers	**	**	**	184
Eagle-Picher Inds	NM	1049	1091	108
Eastern Enterprises	87	525	805	148
Eastman Kodak	NM	460	591	138
Eaton	534	596	302	130
Echlin	616	760	757	130
Ecolab	272	584	318	100
Edison Bros Stores	282	533	462	184
AG Edwards	465	690	368	156
EG&G	553	694	159	118
Egghead	NM	**	1034	184
El Paso Electric	NM	1011	1011	142
Eljer Industries	**	**	**	180
Emerson Electric	484	433	254	108
Emerson Radio	640	881	727	130
Engelhard	NM	510	946	180
Enron	NM	413	729	148
Enserch	NM	625	1027	148
Enstar Group	NM	1072	1020	156
Entergy	NM	154	955	142
Enzo Biochem	**	**	**	172
Equifax	379	350	178	156
Equitable of Iowa	415	661	777	184
Equitable Resources	647	338	738	148
ERLY Industries	NM	746	1053	164
ESCO Electronics	**	**	**	96
Ethyl	187	246	214	112
Everex Systems	14	820	27	118
Exxon	612	214	548	148
Fairchild	12	454	194	96
Family Dollar Stores	NM	921	308	184
Fay's	254	603	549	184
Federal Express	431	867	764	188
Federal-Mogul	NM	826	769	130
Federal Natl Mortgage	13	25	122	156
Federal Paper Board	54	228	119	170
Federal Signal	230	70	402	108
Ferro	120	215	506	112
FHP International	127	73	9	172
Fieldcrest Cannon	287	955	907	138

Company	RANK Growth	Stock market	Profitability	Page
Figgie Intl	190	444	336	100
Finevest Foods	NM	**	1036	164
First American Corp	650	966	854	156
First American Finl	NM	557	442	176
First Bank System	NM	873	1019	156
First Brands	**	**	**	138
First Capital Holding	17	989	53	176
First Chicago	107	855	744	156
First City Bncp Texas	**	**	**	156
First Executive	NM	1070	1069	176
First Fidelity Bncp	693	891	838	156
First Financial Mgmt	68	426	391	118
First Interstate Bncp	NM	949	1023	156
First Mississippi	NM	449	798	112
First of America Bank	546	677	481	156
First Security	242	682	833	156
First Tennessee Natl	621	732	687	156
First Union	535	799	262	156
First Wachovia	500	370	356	156
Firstar	226	549	584	156
FirstFed Michigan	687	807	707	156
Fleet/Norstar Finl	417	892	344	156
Fleetwood Enterprises	NM	773	361	130
Fleming Cos	NM	687	716	164
Florida Progress	569	452	471	142
Florida Rock Inds	579	790	242	180
Flowers Industries	489	710	295	164
Fluor	NM	85	900	126
FMC	96	112	927	112
Food Lion	133	28	73	184
Foodarama Supermkts	NM	331	804	184
Ford Motor	318	317	121	130
Foremost Corp of Amer	NM	908	873	176
LB Foster	NM	913	464	108
Foster Wheeler	NM	226	906	108
Foundation Health	**	**	**	172
FPL Group	582	627	596	142
Freeport-McMoRan	189	201	169	112
Fremont General	NM	898	849	176
Fruit of the Loom	NM	423	177	138
HB Fuller	512	330	623	112
Fuqua Industries	671	823	418	138
Gamma Biologicals	**	**	**	172
Gannett	404	543	183	154
Gap	71	4	67	184
GATX	91	369	425	156
Gaylord Container	**	**	**	170
Geico	388	244	81	176
GenCorp	74	1013	492	96
Genentech	**	**	**	172
General Cinema	108	628	21	154
General Dynamics	610	970	297	96
General Electric	420	320	278	96, 108
General Host	NM	984	925	184
General Mills	164	58	14	164
General Motors	NM	526	613	130
General Motors EDS	101	249	358	118
GM Hughes Electronics	435	629	944	96
General Public Utils	213	72	547	142
General Re	52	235	259	176

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. **Not ranked.

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Company	Growth	Stock market	Profitability	Page
General Signal	NM	779	801	108
Genesco	NM	591	222	184
Genetics Institute	**	**	**	172
Genlyte Group	578	**	**	108
Genovese Drug Stores	NM	686	656	184
Genuine Parts	383	355	200	130
Genzyme	**	**	**	172
Georgia Gulf	18	**	3	112
Georgia-Pacific	57	424	257	170
Gerber Products	367	74	267	164
Getty Petroleum	234	834	99	148
Giant Food	241	180	138	184
Gibson Greetings	503	493	201	138
Gillette	278	35	149	138
Gitano Group	243	**	36	138
PH Glatfelter	329	186	128	170
GlenFed	84	936	633	156
Golden West Finl	506	293	156	156
Goldome	**	538	**	156
BF Goodrich	2	569	781	112
Goodyear	NM	903	327	130
Goulds Pumps	NM	595	813	108
WR Grace	NM	652	808	112
WW Grainger	365	298	339	108
Great American Bank	NM	1063	1028	156
Great American Mgmt	NM	282	988	112
Great A&P Tea	162	184	575	184
Great Lakes Chemical	129	60	164	112
Gt Western Financial	NM	730	686	156
Grey Advertising	501	402	527	154
Greyhound Dial	NM	789	787	138
Grossman's	NM	1011	948	184
Grow Group	NM	703	1001	180
Grumman	643	888	840	96
GTE	537	196	533	118
Guilford Mills	574	798	595	138
Gulf States Utils	NM	757	932	142
Hadson	NM	769	1005	148
Halliburton	NM	261	972	148
Hana Biologics	**	**	**	172
Handleman	296	722	139	154
Handy & Harman	NM	852	922	180
MA Hanna	NM	420	807	112
Hannaford Bros	216	98	234	184
Hanover Insurance	63	691	293	176
Harcourt Brace	670	1040	894	154
Harken Energy	NM	99	999	148
Harley-Davidson	55	50	38	130
Harman International	61	821	84	130
Harnischfeger Inds	NM	567	903	108
Harris Corp	677	811	897	118
Harsco	689	647	843	180
Hartford Steam Boiler	92	51	91	176
Hartmarx	655	1002	817	184
Hasbro	NM	698	606	138
Hawaiian Electric	541	490	700	142
Healthco Intl	NM	463	942	172
Hechinger	505	910	572	184
HJ Heinz	349	149	116	164
Helene Curtis Inds	153	141	491	138

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Company	Growth	Stock market	Profitability	Page
Henley Group	**	**	**	172
Hercules	NM	786	684	112
Hershey Foods	356	147	238	164
Hewlett-Packard	445	758	424	118
Hexcel	NM	886	785	96
Highland Superstores	NM	1062	799	184
Hillenbrand Inds	251	80	227	172
Hillhaven	**	**	**	172
Hills Dept Stores	NM	979	609	184
Hilton Hotels	573	614	433	190
Holly Corp	118	19	13	148
Holnam	NM	**	754	180
Home Depot	45	2	129	184
Home Shopping	NM	1015	865	184
HomeFed	400	997	658	156
Homestead Financial	NM	1061	951	156
HON Industries	344	161	173	100
Honeywell	NM	474	848	108
Geo A Hormel	267	88	477	164
Horn & Hardart	NM	939	1063	184
Houghton Mifflin	540	643	552	154
Household Intl	399	843	239	156
Houston Industries	613	455	638	142
Hubbell	390	229	249	108
Hudson Foods	NM	925	68	164
Huffy	NM	191	706	130
Hughes Supply	576	794	786	180
Humana	NM	391	245	172
JB Hunt Transport	295	476	125	188
Huntington Bcshs	509	671	494	156
IBP	625	494	**	164
ICH	**	1036	1088	176
ICN Biomedicals	**	**	**	172
IE Industries	581	484	685	142
IGI	**	**	**	172
Illinois Central	**	**	**	188
Illinois Power	NM	830	965	142
Illinois Tool Works	134	95	219	108
IMC Fertilizer Group	**	**	**	112
Imcera Group	NM	188	908	112
Immucor	**	**	**	172
Immunex	**	**	**	172
Immunomedics	**	**	**	172
Imo Industries	NM	540	831	108
Imperial Holly	60	**	513	164
Inacomp Computer	95	536	617	184
INB Financial	NM	771	590	156
Inco	NM	207	25	180
Independent Insurance	NM	712	788	176
Ingersoll-Rand	156	274	649	108
Ingles Markets	290	486	498	184
Inland Steel Inds	5	548	822	180
Inspiration Resource	NM	822	1004	112
Instrument Systems	NM	744	1041	138
Intel	NM	173	398	118
Intelligent Electron	3	17	77	184
Interco	NM	**	910	130
Interface	132	461	277	100
Intergraph	566	981	470	118
Interlake	485	1041	771	108

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Company	RANK Growth	Stock market	Profitability	Page
Intermark	NM	976	1014	184
IBM	635	781	570	118
Intl Flavors & Frags	317	216	247	112
Intl Multifoods	NM	430	736	164
International Paper	36	170	517	170
Interpublic Group	312	121	212	154
InterTAN	**	361	448	184
Iowa-Illinois G&E	602	542	576	142
Ipalco Enterprises	565	373	454	142
Itel	NM	609	1002	118
ITT	169	447	733	176
Jacobs Engineering	24	5	375	126
James River Corp Va	560	688	648	170
Jamesway	659	1026	839	184
Jefferson-Pilot	NM	572	768	176
Johnson & Johnson	218	91	110	138
Johnson Controls	595	624	683	130
Jostens	268	151	41	184
JWP	53	59	148	100
Kaman	632	902	645	96
Kansas City P&L	NM	386	731	142
Kansas City Southern	NM	728	976	188
Kansas Gas & Elec	NM	185	850	142
Kansas Power & Light	608	560	583	148
Kaufman & Broad Home	151	853	109	126
Kellogg	299	150	43	164
Kellwood	319	894	272	138
Kelly Services	203	442	74	100
Kemper	100	741	374	176
Kennametal	209	472	676	108
Kentucky Central Life	460	928	642	176
Kentucky Utilities	510	380	515	142
Kerr Glass Mfg	NM	947	1007	170
Kerr-McGee	NM	415	911	148
KeyCorp	542	704	500	156
Kimball International	470	553	397	130
Kimberly-Clark	291	103	224	138
Kmart	NM	498	621	184
KN Energy	NM	301	937	148
Knight-Ridder	352	599	186	154
Kroger	NM	**	905	184
LA Gear	NM	9	1	138
La-Z-Boy Chair	550	590	413	130
Laclede Gas	611	576	524	148
LADD Furniture	548	887	136	130
Lafarge	27	465	598	180
Lancaster Colony	292	464	569	130
Lance	497	387	206	164
Landmark Land	NM	1027	1075	156
Lands' End	130	634	19	184
Leggett & Platt	436	583	290	130
Lennar	124	672	672	126
Leslie Fay Cos	360	699	434	138
Leucadia National	452	219	288	176
LG&E Energy	NM	414	650	142
Liberty Corp	444	459	728	176
Life Technologies	**	**	**	172
Lifetime	NM	30	891	172
Eli Lilly	372	84	137	172
Limited	159	349	55	184
Lincoln Electric	285	335	611	108
Lincoln National	554	756	713	176
Lionel	705	1021	931	184
Litton Industries	NM	664	553	96
LIVE Entertainment	NM	767	221	154
Liz Claiborne	144	131	39	138
Lockheed	339	829	292	96
Loctite	232	46	179	112
Loews	198	247	131	176
Lone Star Industries	NM	1019	1047	180
Lone Star Tech	NM	916	1084	180
Long Island Lighting	NM	94	952	142
Longs Drug Stores	407	462	334	184
Longview Fibre	105	222	152	170
Loral	376	649	306	96
Lotus Development	270	140	49	118
Louisiana Land	NM	309	986	148
Louisiana-Pacific	66	479	565	170
Lowe's Cos	584	724	660	184
LSI Logic	NM	943	980	118
LTV	NM	1055	1095	180
Lubrizol	374	276	427	112
Lukens	35	36	360	180
LVI Group	NM	1067	1094	126
Lyondell Petrochem	**	**	**	112
M/A-Com	NM	972	977	118
Magma Copper	NM	815	721	180
MagneTek	10	**	6	108
MAI Systems	NM	1058	809	118
Manor Care	NM	678	528	172
Manufacturers Hanover	NM	946	1010	156
Manufacturers Natl	384	579	520	156
Manville	244	1052	**	180
Mapco	472	110	298	148
Marion Merrell Dow	229	65	52	172
Mark IV Industries	28	441	37	118
Marriott	428	917	142	164
Marsh & McLennan Cos	116	204	33	176
Marsh Supermarkets	281	122	476	184
Marshall & Ilsley	429	613	414	156
Marshall Industries	298	248	428	118
Martin Marietta	419	512	86	96
Masco	456	716	355	180
Masco Industries	240	725	412	130
Mattel	NM	300	501	138
Maxtor	NM	817	429	118
Maxus Energy	NM	312	1099	148
Maxxam	NM	126	54	180
May Dept Stores	382	404	328	184
Maytag	NM	866	105	130
MCA	424	411	746	154
McCaw Cellular	NM	616	1089	118
McCormick & Co	250	82	154	164
McDermott Intl	NM	326	1057	108
McDonald's	338	287	185	184
McDonnell Douglas	695	804	835	96
McGraw-Hill	665	615	468	154
MCI Communications	NM	63	150	118
McKesson	556	546	674	172
MCN	**	**	281	148

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Company	Growth	Stock market	Profitability	Page
MDC Holdings	NM	1071	1074	126
Mead	196	592	378	170
Medco Containment	44	68	818	184
Media General	673	708	853	154
Medtronic	227	18	196	172
Mellon Bank	NM	934	1043	156
Melville	323	311	167	184
Mercantile Bancorp	NM	785	941	156
Mercantile Stores	454	681	453	184
Merck	135	27	26	172
Mercury General	181	658	182	176
Meredith	617	813	695	154
Meridian Bancorp	600	831	546	156
Merisel	76	**	89	118
Meritor Savings Bank	NM	1056	1077	156
Merrill Lynch	NM	880	864	156
Merry-Go-Round	313	21	114	184
Fred Meyer	NM	639	756	184
Michigan National	80	868	266	156
MicroAge	NM	87	581	184
Micron Technology	NM	527	103	118
Microsoft	41	8	16	118
Midlantic	453	1039	387	156
Midway Airlines	NM	762	1026	190
Midwest Resources	559	445	620	142
Herman Miller	527	776	264	100
Millipore	366	394	447	100
Mine Safety Appliance	NM	492	712	100
Minn Mining & Mfg	347	223	199	100
Minnesota Power & Lt	561	429	426	142
Mitchell Energy	NM	242	953	148
MLX	NM	1053	1071	108
MNC Financial	177	1003	312	156
Mobil	455	183	677	148
Modine Manufacturing	555	275	417	130
Molecular Biosystems	**	**	**	172
Molex	386	333	381	118
Monarch Capital	NM	1054	923	176
Monsanto	183	198	561	112
Montana Power	NM	491	797	142
Moore Corp	448	511	488	100
JP Morgan & Co	NM	427	966	156
Morgan Products Ltd	NM	948	696	180
Morgan Stanley	114	440	58	156
Morrison	335	726	435	184
Morrison Knudsen	NM	736	1033	126
Morton International	NM	**	385	112
Motorola	239	356	666	118
Multimedia	NM	209	985	154
Murphy Oil	NM	405	992	148
Nacco Industries	306	507	205	108, 148
Nalco Chemical	439	232	191	112
Nash Finch	567	538	690	164
Nashua	524	100	643	100
National City	409	436	330	156
Natl Convenience	NM	983	1018	184
National Education	NM	1022	763	100
National Fuel Gas	605	286	698	148
National Health Labs	126	**	244	172
National Intergroup	NM	922	1009	172

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Company	Growth	Stock market	Profitability	Page
National Medical	NM	271	631	172
Natl Semiconductor	NM	977	1016	118
National Service	486	377	382	108
National-Standard	NM	1031	1035	180
Navistar Intl	NM	1004	969	130
NBD Bancorp	355	218	461	156
NCH	172	165	411	112
NCNB	363	568	326	156
NCR	380	367	299	118
Neiman Marcus Group	**	673	**	184
New England Electric	620	604	793	142
NY State E&G	652	709	709	142
New York Times	247	766	130	154
Newell Co	141	16	271	130
Newmont Mining	NM	297	918	180
Niagara Mohawk Power	694	832	884	142
Nicor	NM	139	396	148
NIKE	67	12	108	138
Nipsco Industries	NM	194	847	142
NL Industries	49	**	**	112
Noland	614	848	887	180
Nordstrom	184	195	236	184
Norfolk Southern	NM	340	751	188
Nortek	NM	1006	995	180
Northeast Federal	NM	1050	1079	156
Northeast Utilities	631	515	682	142
No States Power	598	477	521	142
Northern Telecom	NM	344	566	118
Northern Trust	93	171	612	156
Northrop	NM	962	974	96
Norwest	125	233	646	156
Novell	29	7	22	118
Nucor	463	307	431	180
NWNL	536	797	699	176
Nynex	NM	345	661	118
Occidental Petroleum	685	795	929	148
Ogden	669	521	416	100
Ohio Casualty	131	578	432	176
Ohio Edison	634	573	675	142
Oklahoma G&E	539	371	535	142
Old Kent Financial	532	597	343	156
Old Republic Intl	NM	729	505	176
Olin	199	734	665	112
Olsten	157	676	140	100
Omnicom Group	NM	617	386	154
Oneida	NM	670	651	130
Oneok	682	657	859	148
Oracle Systems	NM	111	15	118
Orange & Rockland	590	577	578	142
Orion Capital	NM	909	825	176
Orion Pictures	336	523	924	154
Oryx Energy	**	**	**	148
Oshkosh Truck	NM	956	162	130
Outboard Marine	362	945	737	130
Owens & Minor	633	552	790	172
Owens-Corning	NM	532	973	180
Oxford Industries	636	931	930	138
Paccar	217	457	252	130
Pacific Enterprises	NM	735	722	148
Pacific G&E	645	483	841	142

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Company	RANK Growth	Stock market	Profitability	Page
Pacific Telesis	521	130	516	118
PacifiCare Health	320	280	123	172
PacifiCorp	543	393	540	142
PaineWebber Group	NM	914	889	156
Pall	369	379	228	112
Pan Am	NM	1014	1101	190
Panhandle Eastern	NM	937	1031	148
Paramount Commun	81	303	70	154
Parker Hannifin	591	675	625	108
Pathe Communications	NM	1051	1092	154
Penn Central	NM	791	874	118
Penn Traffic	**	**	**	184
JC Penney	235	295	400	184
Pennsylvania P&L	518	334	586	142
Pennzoil	NM	582	1060	148
Pentair	458	674	495	170
People's Bank	**	**	**	156
Peoples Energy	NM	481	451	148
Pep Boys	408	547	469	184
PepsiCo	137	48	96	164
Perini	NM	1016	904	126
Perkin-Elmer	NM	806	938	118
Perry Drug Stores	NM	985	1037	184
Petrie Stores	676	828	812	184
Petroleum Heat & Pwr	NM	745	1046	148
Pfizer	520	304	289	172
Phelps Dodge	NM	142	284	180
PHH	NM	877	603	100
Philadelphia Elec	NM	642	654	142
Philip Morris Cos	161	13	62	164
Phillips Petroleum	NM	138	449	148
Phillips-Van Heusen	411	565	51	138
PHM	264	869	589	126
Pic 'N' Save	NM	967	124	184
Piedmont Natural Gas	466	281	525	148
Pilgrim's Pride	195	879	94	164
Pinkerton	NM	**	209	100
Pinnacle West	NM	950	1024	142
Pioneer Hi-Bred Intl	NM	653	512	164
Pitney Bowes	476	324	258	100
Pittston	NM	304	1008	148, 188
Pittway	NM	**	739	130
Ply Gem Industries	NM	927	653	180
PNC Financial	580	818	403	156
Polaroid	88	594	860	138
Pope & Talbot	40	443	176	170
Portland General	NM	747	916	142
Potlatch	112	346	407	170
Potomac Electric	538	503	362	142
PPG Industries	305	294	233	130
Precision Castparts	136	64	165	96
Premark Intl	NM	777	628	130
Premier Bancorp	NM	1033	1070	156
Premier Industrial	314	213	163	118
Preston	NM	926	958	188
Price Co	149	607	104	184
Primerica	32	580	673	156
Procter & Gamble	NM	105	507	138
Progressive	103	119	97	176
Promus Cos	**	**	**	190

Company	RANK Growth	Stock market	Profitability	Page
Provident Life & Acc	NM	764	688	176
PS Group	NM	516	743	148
PSI Resources	364	133	28	142
Public Service Colo	NM	593	545	142
Public Service NH	NM	1007	1064	142
Public Service NM	660	995	961	142
Pub Svc Enterprise	596	466	608	142
Puget Sound P&L	401	530	636	142
Pulitzer Publishing	228	876	2	154
Quaker Oats	406	240	226	164
Quaker State	686	958	949	148
Quanex	NM	159	671	180
Quantum	443	117	286	118
Quantum Chemical	31	952	324	112
Questar	654	495	826	148
QVC Network	**	1009	376	184
Ralston Purina	236	143	29	164
Raychem	446	839	573	108
Raytheon	224	422	144	96
Readers Digest Assn	42	**	8	154
Reebok International	158	113	24	138
Reliance Group	NM	859	415	176
Republic New York	NM	397	851	156
Rexene	**	**	**	112
Reynolds & Reynolds	NM	895	380	100
Reynolds Metals	21	77	285	180
Rhone-Poulenc Rorer	405	76	230	172
Richfood Holding	**	**	**	164
Riggs National	586	982	784	156
Riser Foods	**	**	**	184
Rite Aid	425	407	253	184
Roadway Services	NM	602	679	188
HH Robertson	NM	1029	1054	180
Rochester G&E	674	731	740	142
Rochester Telephone	NM	359	582	118
Rockwell Intl	389	376	187	96
Rohm & Haas	494	496	333	112
Rohr Industries	642	897	724	96
Rollins	459	428	17	100
Rose's Stores	668	968	816	184
Ross Stores	NM	998	534	184
Rouse	681	707	423	126
RPM	394	269	404	112
Rubbermaid	263	116	166	130
Ruddick	493	270	614	184
Russell	261	176	296	138
Ryder System	675	851	774	156
Rykoff-Sexton	507	749	681	164
Ryland Group	115	751	101	126
Safeco	205	410	274	176
Safety-Kleen	269	118	161	100
St Joe Paper	513	**	701	170
St Paul Cos	94	321	303	176
Salant	NM	1028	939	138
Salem Carpet Mills	499	850	604	138
Salomon	NM	864	730	156
San Diego G&E	NM	256	514	142
Santa Fe Pacific	NM	**	1056	188
Sara Lee	307	106	192	164
Savannah Foods	328	57	260	164

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Company	RANK Growth	Stock market	Profitability	Page
Savin	NM	1069	1098	100
Scana	NM	468	539	142
SCEcorp	597	360	480	142
Schering-Plough	238	54	151	172
Schlumberger	NM	316	893	148
A Schulman	176	44	218	112
Schultz Sav-O Stores	293	14	359	184
Charles Schwab	**	128	**	156
SCI Systems	434	793	550	118
Scientific-Atlanta	NM	638	702	118
Scott Paper	178	341	273	138
EW Scripps	NM	**	600	154
Seaboard	358	471	633	164
Seagate Technology	NM	449	216	118
Seagram	350	259	616	164
Sears, Roebuck	NM	808	752	176, 184
Seaway Food Town	83	310	345	184
Security Pacific	475	775	473	156
Selective Insurance	331	453	207	176
Sequa	NM	362	316	96
Service Corp Intl	NM	586	943	138
Service Merchandise	NM	889	641	184
Shaw Industries	301	81	135	138
Shawmut National	NM	991	863	156
Sherwin-Williams	414	288	279	184
Shoney's	623	**	705	184
Sigma-Aldrich	188	169	106	112
Signet Banking	NM	973	309	156
Silicon Graphics	7	212	741	118
Skyline	309	738	773	126
AO Smith	NM	825	919	130
Smith Corona	**	**	**	100
Smith International	NM	108	1076	148
Smithfield Foods	51	31	90	164
Smith's Food & Drug	215	**	269	184
JM Smucker	351	252	256	164
Snap-on Tools	337	364	188	130
Society	418	585	459	156
Sonat	NM	322	926	148
Sonoco Products	233	187	195	170
Sotheby's Holdings	9	**	20	184
South Carolina Natl	422	770	460	156
Southdown	NM	833	409	180
Southeast Banking	NM	1030	780	156
Southern Company	615	505	639	142
So N England Telecom	490	357	503	118
SouthTrust	457	689	364	156
Southwest Airlines	NM	632	753	190
Southwest Gas	551	783	592	148
Southwestern Bell	587	199	619	118
Southwestern Pub Svc	604	541	395	142
Spiegel	97	290	146	184
Sprague Technologies	NM	961	1061	118
Springs Industries	179	682	767	130
SPS Technologies	525	849	827	96
SPX	421	846	444	130
Square D	563	524	401	108
Std Commercial	NM	723	933	164
Standard Fedl Bank	**	561	529	156
Standard Motor Prods	629	883	789	130
Standard Products	449	705	127	130
Standard Register	528	878	452	100

Company	RANK Growth	Stock market	Profitability	Page
Standex International	NM	325	697	154
Stanhome	163	15	102	138
Stanley Works	480	412	443	108
State Street Boston	332	285	251	156
Sterling Chemicals	**	**	**	112
Stewart & Stevenson	NM	6	348	108
Stone Container	39	700	93	170
Storage Technology	699	544	1096	118
Strawbridge	515	816	502	184
Stride Rite	48	11	141	138
Student Loan	145	62	44	156
Sudbury	NM	1042	366	108
Sun Company	698	**	934	148
Sun Microsystems	22	306	180	118
Sundstrand	NM	620	819	96
SunTrust Banks	395	558	321	156
Super Food Services	322	425	399	164
Super Valu Stores	487	522	282	164
Synbiotics	**	**	**	172
Synergen	**	**	**	172
Syntex	191	96	40	172
Sysco	310	67	325	164
Talley Industries	514	953	877	96
Talman Home Federal	**	905	866	156
Tambrands	437	177	265	138
Tandem Computers	210	534	580	118
Tandy	471	792	232	184
TBC	73	56	155	130
TCF Financial	NM	841	978	156
TECO Energy	547	211	478	142
Tecumseh Products	564	772	640	108
Tektronix	697	845	947	118
Tele-Communications	NM	172	1012	154
Teledyne	479	**	7	96
Temple-Inland	194	289	379	170
Tenneco	NM	504	748	108
Teradyne	NM	1017	994	118
Terex	26	61	75	108
Tesoro Petroleum	NM	715	1073	148
Texaco	90	182	852	148
Texas Industries	704	915	956	180
Texas Instruments	59	742	465	118
Texas Utilities	NM	467	588	142
Textron	440	631	629	96
Thermo Electron	197	163	669	108
Thiokol	630	**	523	96
Thomas & Betts	502	564	313	118
Thomas Industries	531	872	511	130
Thorn Apple Valley	NM	263	928	164
3Com	20	802	255	118
TIE/communications	NM	1066	1090	118
Time Warner	NM	438	803	154
Times Mirror	522	697	197	154
Timken	NM	563	959	108
TJX Cos	212	**	**	184
Tonka	NM	1025	824	138
Torchmark	294	127	126	176
Toro	186	651	208	130
Tosco	NM	680	170	148
Town & Country	NM	963	659	184
Toys 'R' Us	171	115	193	184
Transamerica	371	660	607	176

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. **Not ranked.

WHO'S WHERE IN THIS ISSUE

Company	RANK Growth	Stock market	Profitability	Page
Transco Energy	NM	788	971	148
Travelers	683	988	867	176
Tredegar Industries	**	**	**	180
Tribune	288	378	261	154
Trinity Industries	NM	528	717	108
Trinova	641	640	694	108
TRW	533	737	352	96
Tucson Electric	NM	1044	858	142
Turner Broadcasting	NM	10	1097	154
Turner Corp	701	938	983	126
TW Holdings	**	**	**	164
20th Century Inds	72	417	69	176
Tyco Laboratories	201	42	147	180
Tyson Foods	102	49	76	164
UAL	NM	157	79	190
UGI	283	253	689	148
UJB Financial	447	954	421	156
UNC	**	975	820	96
Union Bank	262	862	531	156
Union Camp	219	432	389	170
Union Carbide	NM	810	71	112
Union Electric	410	398	519	142
Union Pacific	NM	435	725	188
Union Texas Petrol	NM	129	45	148
Unisys	NM	1045	981	118
UA Entertainment	NM	239	1066	154
United Banks of Colo	700	812	940	156
United HealthCare	NM	197	967	172
United Illuminating	NM	550	997	142
United Merchants	NM	1077	1085	138
US Bancorp	416	351	538	156
US Healthcare	NM	508	331	172
US Home	NM	1060	1051	126
US Shoe	661	929	872	184
United Stationers	442	964	420	100
United Technologies	468	598	652	96
United Telecom	NM	135	437	118
Unitrin	**	**	**	176
Univar	357	124	482	112
Universal	491	618	337	164
Universal Foods	193	33	367	164
Universal Health	664	893	915	172
Unocal	696	137	828	148
UNUM	**	299	726	176
Upjohn	545	266	393	172
US West	530	266	544	118
USAir Group	NM	923	899	190
USF&G	702	996	747	176
USG	692	**	349	180
Uslico	NM	860	655	176
USLife	570	750	810	176
UST Inc	259	23	47	164
USX	NM	482	857	148, 180
UtiliCorp United	585	343	522	148
Valero Energy	NM	347	974	148
Valhi	70	69	56	112
Valley National	NM	1001	1021	156
Valmont Industries	4	90	351	180
Valspar	286	136	184	112
Varian Associates	NM	559	913	118
Varity	NM	620	883	108
VF	523	865	246	138

Company	RANK Growth	Stock market	Profitability	Page
Viacom	**	132	**	154
Village Super Market	488	395	475	184
Vishay Intertech	206	626	291	118
Vista Chemical	NM	407	11	112
Volt Info Sciences	NM	960	968	100
Vons Cos	NM	79	**	184
Vulcan Materials	279	372	211	180
Waban	**	**	**	184
Wackenhut	NM	720	466	100
Wal-Mart Stores	121	29	50	184
Walgreen	413	224	223	184
Wallace Computer Svs	397	663	357	100
Wang Laboratories	NM	1043	1044	118
Warner-Lambert	359	66	59	172
Washington Gas Light	NM	458	564	148
Washington Mutual	NM	284	627	156
Washington National	NM	919	989	176
Washington Post	168	319	61	154
Waste Management	154	22	145	100
Waxman Inds	82	611	65	180
Weirton Steel	NM	**	945	180
Weis Markets	438	574	319	184
Wellman	50	451	34	112
Wells Fargo	150	254	311	156
Wendy's Intl	NM	912	912	184
Western Digital	NM	900	243	118
Western Publishing	280	665	120	154
Western Union	NM	1074	1100	118
Westinghouse	222	472	157	108
Westmark Intl	NM	337	920	172
Westmoreland Coal	NM	648	998	148
Westvaco	341	392	484	170
Wetterau	474	318	305	164
Weyerhaeuser	255	637	719	170
Wheelabrator Tech	**	**	**	126
Wheeling-Pittsburgh	NM	840	1052	180
Whirlpool	618	666	644	130
Whitman	173	641	**	164
Wholesale Club	NM	55	990	184
Wicor	NM	480	622	148
Willamette Inds	139	520	160	170
Willcox & Gibbs	237	519	342	108
Williams Cos	NM	636	935	148
Winn-Dixie Stores	589	237	369	184
Winnebago Industries	NM	1034	917	130
Wisconsin Energy	544	314	450	142
Wisconsin Public Svc	NM	475	574	142
Witco	628	600	734	112
WLR Foods	NM	**	203	164
Woolworth	275	167	363	184
Worthington Inds	315	368	213	180
WPL Holdings	603	497	560	142
Wm Wrigley Jr	174	37	95	164
WTD Industries	33	1048	10	170
Wyle Laboratories	225	679	875	118
Wyman-Gordon	NM	959	987	96
Xerox	377	871	775	100, 176
Yellow Freight Sys	653	727	667	188
Zenith Electronics	NM	986	1040	118
Zenith National Ins	79	924	472	176
Zurn Industries	450	245	678	108

Growth: 5-year annual earnings-per-share growth. **Stock market:** 5-year price change. **Profitability:** 5-year return on equity. **NM:** Not meaningful. **Not ranked.

The Forbes Wall Street Review

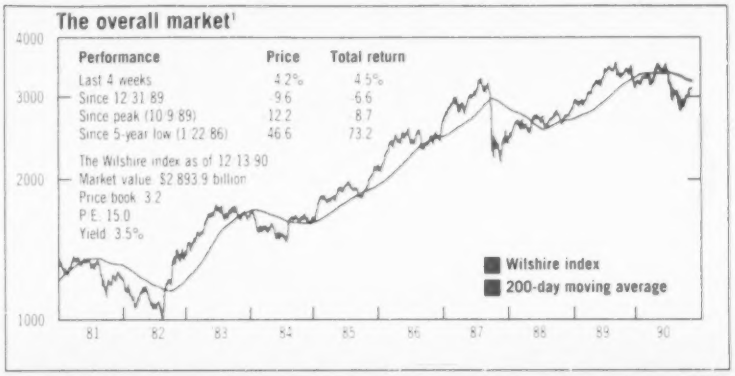
By Eric S. Hardy

The stock market disappointed investors in 1990. By year-end, the broadly weighted Wilshire index was down almost 10%. The drop has probably gone too far in many cases. For example, NCR and Vista Chemical recently received takeover bids at high premiums to their previous quotes. And a number of recently proposed initial public offerings indicate that there is some confidence in the stock market.

Insurance giant Equitable Life is planning to go public to raise some badly needed capital, and at least one apparently solid thrift institution is also selling some equity. Chicago-based Northwestern Savings & Loan Association intends, like Equitable, to convert from mutual to stock ownership. Given the unsettled market conditions for thrift stocks, this is a bold move for Northwestern, which has $1.3 billion in assets.

Are there any worthwhile bank or thrift stocks? Al Frank, a money manager and editor of the *Prudent Speculator*, a Santa Monica, Calif. newsletter, likes a few of these companies. For example, Great Western Financial is recommended by Frank even though its P/E multiple of 13 is above the industry average. "Great Western is trading at 64% of book value and offers a 7.5% yield," observes Frank. "Their earnings have suffered not so much from operations but because of government-mandated writedowns for the industry."

The overall market[1]



The Best Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
NCR	90½	62%	16	19,287	7.7
Marriott	13¾	31	13	5,459	1.2
Hilton Hotels	39¼	30	19	6,108	3.3
Brunswick	9⅞	26	10	3,093	2.1
First Interstate Bancorp	26½	26	NM	6,625	2.2

The Worst Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Santa Fe Energy Resources	13½	-19%	NM	1,122	3.6
Valero Energy	16¾	-15	10	2,202	0.9
Lotus Energy	19	-15	10	5,974	1.4
Gulf Canada Resources	8¼	-14	NM	81	0.8
Mitchell Energy & Development	18½	-14	29	418	1.0

Closeup on the Market

Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,092.1	4.2%
Wilshire index 6,000 stocks, equal weighted	17.1	2.7
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,614.4	3.8
S&P 500 Capitalization weighted cross section, major stocks	329.3	4.1
NYSE Capitalization weighted, all listed common stocks	180.1	4.0
Amex Capitalization weighted total return, stocks, warrants	306.7	2.3
Nasdaq Capitalization weighted, all issues except warrants	371.5	4.4
Amex international market index Capitalization weighted, 50 largest ADRs	302.3	2.9

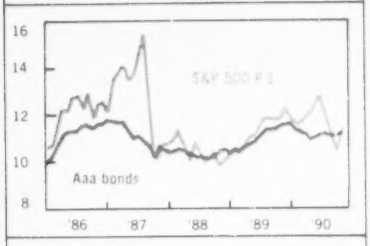
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	835.90	5.9%
Institutional[5] Approximately 200 stocks with high institutional ownership	95.61	4.2
Individual[5] Approximately 200 stocks with low institutional ownership	83.85	2.5
Russell 2000 index 2000 stocks with small market values, capitalization weighted	130.96	5.0
Gold[6] (composite quote of 6 major dealers)	$373.20	-4.1
Yen[6] (per $U.S.)	132.25	-0.9
Commodity index[6] (CRB futures index: 1967 = 100)	220.48	-1.9
Oil[6] (W Texas Intermediate)	$26.40	-8.5
T bills[6] (90 days)	6.82%	7 basis points[7]
Broker loan rate[6]	9.25%	unchanged

Note: All data for periods ending 12/13/90. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 12/14/90. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

What the Analysts Think

By Steven Ramos

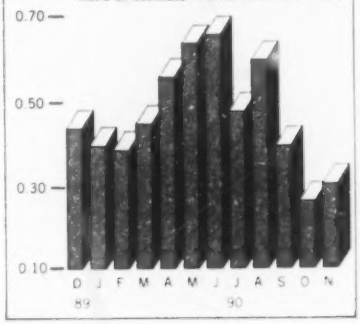
S&P 500 P/E* vs. Aaa bonds†



*S&P 500 P/E is the recent price of the S&P 500 divided by estimated earnings over the next 12 months. †Projected price-to-coupon ratio for Moody's Aaa corporate bond index.

S&P 500 companies

Ratio of estimate increases to decreases



Forecasting the S&P 500

Year	Estimated P/E	% change current estimate vs. 3 months ago	Expected year-to-year EPS growth
1989[1]	13.3	NA	5%
1990	12.4	-5%	2
1991	11.0	-6	14

1990 estimates for major industry groups

Rising estimates	Falling estimates
misc metals	airlines
coal	machine tools
oil-integrated	steel
truckers	automobiles
international oil	money center banks

One year ago Wall Street figured that the Standard & Poor's 500 would rack up a 14% earnings increase in 1990. But as last year closed, the projected gain was down to a miserly 2%. Now analysts think the S&P 500 could post a 14% gain in 1991, but this early forecast could end up being as wrong as the one made for the previous year. In fact, the rosy 1991 projection may already be in jeopardy: Analysts are currently lowering 15 estimates for every 10 they raise *(see graph at center)*.

Some of the sharpest swings in individual company forecasts reflect the volatility in petroleum prices. Four of the five companies showing the biggest increases in 1990 estimates are energy firms. Two of the five companies with the sharpest estimate decreases—AMR and Goodyear Tire & Rubber—have been hurt by the increase in fuel and feedstock prices. These are consensus forecasts. Some analysts are predicting that AMR, for example, will lose money in 1990. As a group, analysts are anticipating sharp losses for other carriers such as U.S. Air (a loss of $8 a share) and Continental Airlines ($6.55 a share).

These data were supplied by the Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan.

Who's Hot

These companies show the greatest increases in estimates over the past three months.[2]

Company/industry	1989 EPS	1990 estimate recent	1990 estimate 3-mo chg	P/E	3-mo price chg	Reason
Amerada Hess/integrated oil	$5.87	$3.87	57%	13	-10%	Capitalized on higher oil prices
Cisco Systems/computer network equip	0.99	2.02[3]	44	19	54	Increased demand for network products
Oryx Energy/oil & gas exp & prods	0.73	1.36	35	32	-12	Increased natual gas and crude oil prices
Diamond Shamrock/integrated oil	2.20	2.70	34	7	-10	Higher refinery margins
Valero Energy/natural gas & refining	1.02	2.07	34	10	7	Higher refinery margins

Who's Not

These companies show the greatest decreases in estimates over the past three months.[2]

Company/industry	1989 EPS	1990 estimate recent	1990 estimate 3-mo chg	P/E	3-mo price chg	Reason
Inland Steel/steel	$3.15	$0.57	-73%	41	-18%	Higher start up costs of joint venture with Nippon Steel
Chips & Technologies/semiconductors	1.88	0.65[3]	-65	12	-28	Declining prices, shipments and margins
AMR/airlines	7.16	1.09	-64	40	3	Increased jet fuel prices
Meridian Bancorp/banking	2.32	0.88	-61	13	-12	Rising loan-loss reserves
Goodyear Tire & Rubber/tire & rubber prods	5.36	0.54	-61	30	-14	Higher raw materials costs and declining market share

[1]Actual. [2]Companies with market capitalization of $100 million or more. [3]1991 estimate. Earnings projections are Wall Street consensus estimates data from 3,000 security analysts compiled by the Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan Investment Services. Aaa bond yield forecasts supplied by Blue Chip Economic Advisors. NA: Not available.

WHY WALL STREET'S SMARTEST SHARKS ARE BUYING UP JUNK BONDS

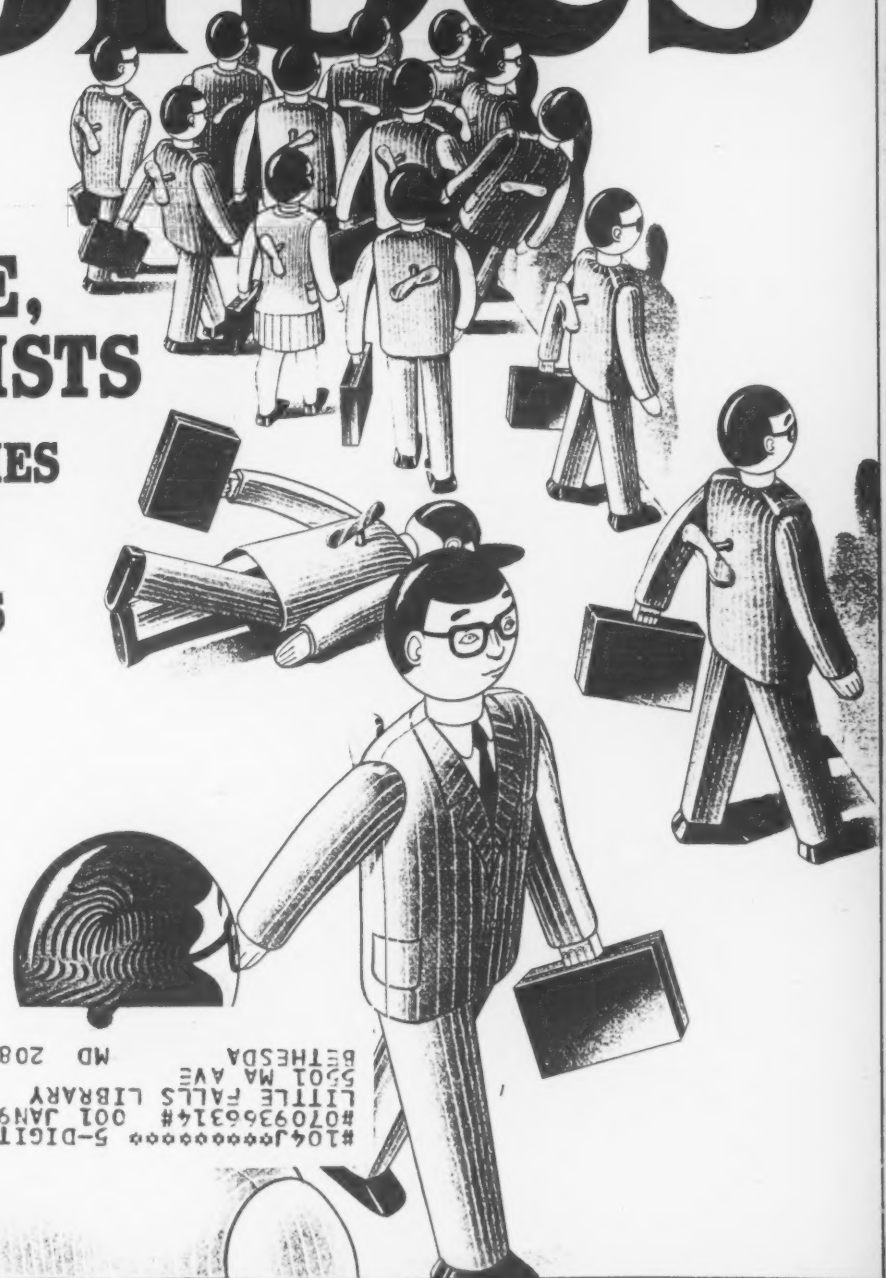
CUBA: AFTER CASTRO, A DELUGE?

THE SOVIET UNION: FOOD FOR PEACE? OR CIVIL WAR?

JANUARY 21, 1991

FOUR DOLLARS

Forbes



GOODBYE, ECONOMISTS

WHY COMPANIES ARE SACKING THEIR SOOTHSAYERS

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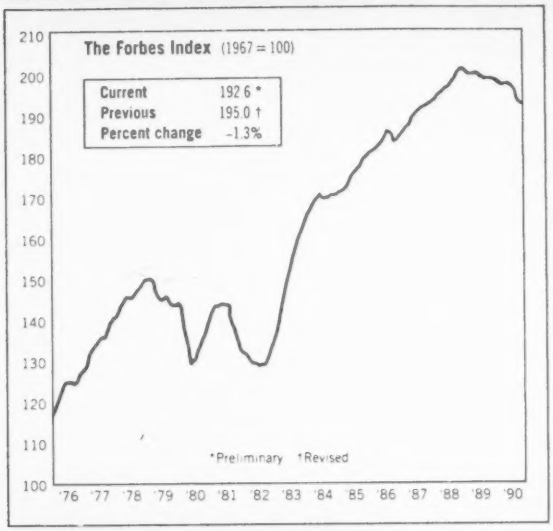
The Forbes Index



The preliminary Forbes Index figure for November shows a 1.3% decline from October. If this holds, it will put the Index at its lowest point since February 1988. Contributing factors: Manufacturers' new orders fell 10%, new housing starts 14%. But the Consumer Price Index rose only 0.2%. The summer's spike in oil prices has, so far, had only a minimal impact on the cost of other goods and services, and commodity prices in general are weak *(see p. 112)*. The Federal Reserve recently acted to drive interest rates lower in hope of stimulating the economy.

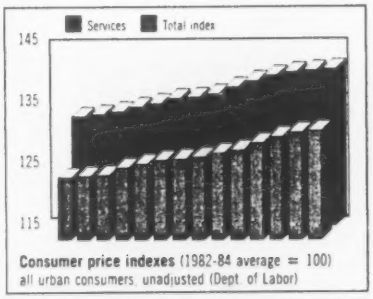
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.0%
Auto sales year to date vs. 1989[1]	Ward's Automotive	-2.6%
Index of leading indicators November vs. October	Dept. of Commerce	-1.2%
Trade balance 12 months ended October 1990	Dept. of Commerce	-$103 bil
Producer price index November vs. 1989[2]	Dept. of Labor	7.0%
GNP 3rd quarter vs. 2nd—annualized growth	Dept. of Commerce	1.4%†
NBER Experimental Recession Probability Index[3]	Natl. Bureau of Economic Research	14.0%

[1]U.S.-based manufacturers, excludes imports, as of 12/10/90. [2]Finished goods. [3]November 1990. † Revised.

Index Components

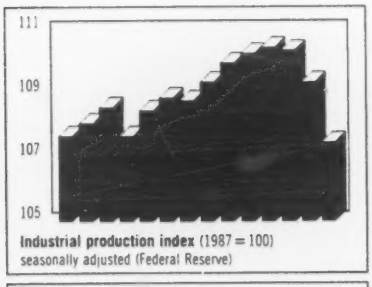
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



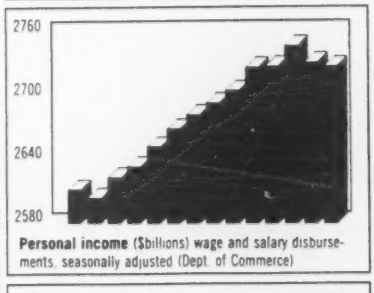
Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)

Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)

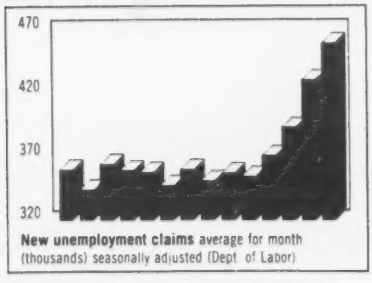


Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)

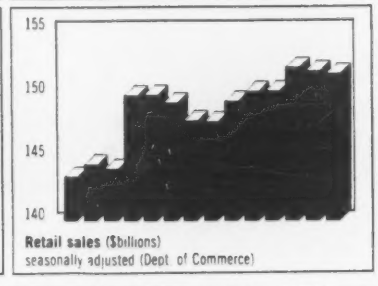
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



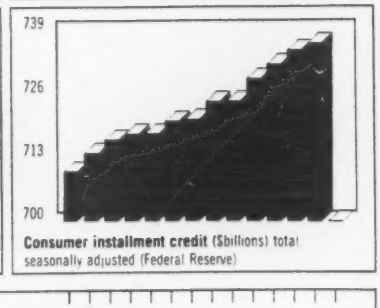
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total seasonally adjusted (Federal Reserve)

The Forbes Wall Street Review

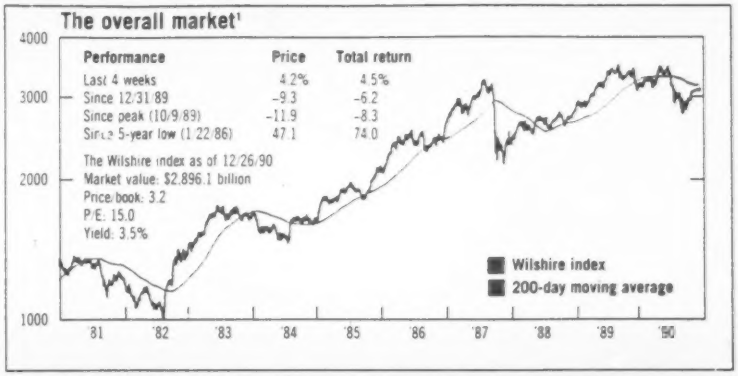
By Eric S. Hardy

"I see the current stock market weakness as a sharp interruption caused by the Persian Gulf crisis," observes Stephen Leeb, editor of *Personal Finance*. "What we had is essentially a tax hike caused by higher oil prices. I don't think the economy is nearly as weak as people say."

Leeb believes that the Dow industrials will climb above the 3000 mark, possibly as high as 3250, in 1991. Then the market will turn strongly bearish and fall to the 2500-to-2600 range. Why the sharp decline? "The Fed will probably overdo it and let loose too much credit and then have to clamp down when inflation starts," Leeb replies.

Leeb is attracted to "vultures," or companies that can take advantage of weak competitors. Although he doesn't particularly like the banking or the airline industries, he sees opportunities because so many weak competitors are there. "The strong get stronger in bad economic times—whether it is J.P. Morgan or Delta Airlines," he notes. Leeb also recommends BankAmerica, Sterling Bancorp, AMR and UAL.

As 1990 drew to a close, the Wilshire index of 6,000 stocks was showing a loss of 9% for the year, although during the last two weeks it managed to eke out a 0.2% gain. The Dow Jones industrial average was off 4.8% for the year and up 0.6% for the same two-week period.



The Best Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Lafarge	13¼	20%	11	245	0.9
Flightsafety International	47	16	22	586	0.7
JWP	15¾	16	11	3,037	1.5
Amax Gold	14⅛	15	41	109	0.8
Seagate Technology	11⅞	14	7	9,589	1.5

The Worst Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
National Health Labs	11¼	-27%	14	7,441	4.4
Marriott	11⅛	-19	11	2,435	0.5
USF&G	7½	-17	5	8,988	1.8
Genentech	23	-16	NM	2,344	1.3
Castle & Cooke	29	-15	14	3,424	2.2

Closeup on the Market

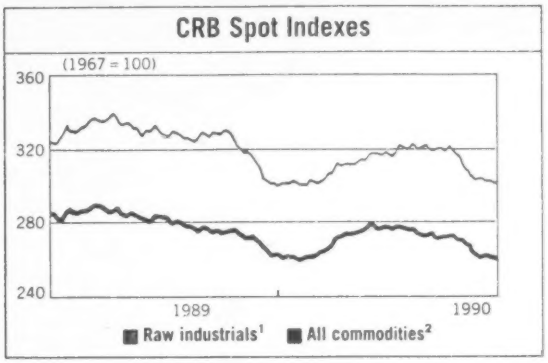
Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,102.4	0.2%
Wilshire index 6,000 stocks, equal weighted	16.8	-0.5
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,637.1	0.6
S&P 500 Capitalization weighted cross section, major stocks	330.9	0.2
NYSE Capitalization weighted, all listed common stocks	180.6	0.2
Amex Capitalization weighted total return: stocks, warrants	305.0	-0.9
Nasdaq Capitalization weighted, all issues except warrants	372.5	0.6
Amex international market index Capitalization weighted, 50 largest ADRs	289.2	-4.1

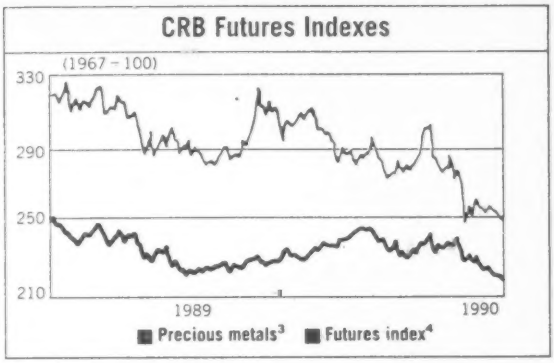
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	781.20	-5.3%
Institutional[5] Approximately 200 stocks with high institutional ownership	97.32	1.8
Individual[5] Approximately 200 stocks with low institutional ownership	81.20	-3.2
Russell 2000 index 2000 stocks with small market values, capitalization weighted	130.83	0.2
Gold[6] (composite quote of 5 major dealers)	$384.90	3.3
Yen[6] (per $U.S.)	136.30	3.8
Commodity index[6] (CRB futures index, 1967 = 100)	220.73	-0.1
Oil[6] (W Texas Intermediate)	$27.20	7.3
T bills[6] (90 days)	6.45%	-33 basis points[7]
Broker loan rate[6]	9.25%	unchanged

Note: All data for periods ending 12/26/90. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 12/26/90. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

Commodities Review

By Eric S. Hardy





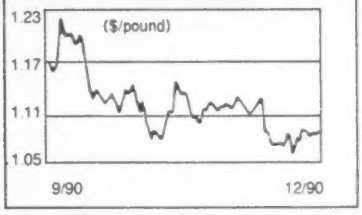
The Commodity Research Bureau Futures Index dropped 7% over the last three months while the two energy-related components of this index (crude oil and heating oil) show an average change of –11%. Of the 21 components in this equally weighted index, 3 are precious metals—gold, platinum and silver. The CRB index on these metals fell 10% since mid-September. Silver futures traded below $4 an ounce for the first time since February of 1976. Defying the expectations of goldbugs, precious metals turned out to be a terrible inflation hedge and poor protection against geopolitical uncertainty in the 1980s.

The overall Consumer Price Index was up 6% through November 1990, but the futures market is signaling that prices of commodities are headed lower. Downward pressure on commodity prices helps keep inflation in check, but not as much as it did, say, in the 1930s.

"The correlation [of commodity prices] with the CPI isn't what it used to be," argues James Nevler, an analyst for Knight-Ridder's Commodity Research Bureau. "The engineering component of cost, rather than the raw materials cost, is what counts." Think of it this way: If you are buying a personal computer, the cost of the plastic and metal is not important. The designer's salary is.

For the year, the raw industrial commodities tracked by the Commodity Research Bureau were up about 0.6%, while the all-commodities index (which includes 10 foodstuffs in addition to the 13 industrial components) was off fractionally.

Commodity Spotlight



Deflationary forces: Copper is piling up in warehouses. Chile recently opened the world's third-largest copper mine, to supply 418,000 tons a year of copper concentrate to the Japanese. And the housing market, which accounts for 42% of the copper used in the U.S., is in a prolonged slump. All this explains why, over the last three months, the March copper contract dropped 8%, to $1.10.

Cash and Futures Prices

Spot Indexes			Futures Indexes		
Index[6]	Value	3-mo change	Index[6]	Value	3-mo change
All commodities	258.83	–5%	CRB index	220.68	–7%
Raw industrials	301.11	–6	Precious metals	250.84	–10
Metals	282.81	–14	Industrials	237.36	–12
Textiles	257.73	–2	Grains	172.03	–2
Foodstuffs	207.86	–3	Livestock & meat	228.21	3

Spot Commodity Prices			Futures Prices		
Commodity	Price	3-mo change	Commodity	Price	3-mo change
Steel scrap (short ton)	104.00	–8%	Jan platinum (troy oz)	407.20	–13%
Copper scrap (pound)	0.90	–13	Feb crude oil (barrel)	25.92	–12
Print cloth (sq yard)	0.82	4	March copper (pound)	1.10	–8
Corn (bushel)	2.26	4	March cotton (pound)	0.76	5
Soybean oil (pound)	0.21	–13	March Chi wheat (bushel)	2.62	–10

Notes: All prices as of 12/21/90. [1]Composed of 13 commodities. [2]Composed of the 13 raw industrial commodities plus 10 foodstuffs. [3]Gold, platinum and silver. [4]Composed of 21 commodities. [5]Prices from 9/3/90 through 12/12/90. [6]Base for spot and futures indexes (1967 = 100). Source: Knight-Ridder Commodity Research Bureau.

Statistical Spotlight

Research and development is a form of capital expenditure, an investment in tomorrow's business. Which companies are making the biggest R&D investments?

Plowing it back

By Robert Balancia

MERCK & Co., which has wowed Wall Street with its scientific prowess, spent $4.5 billion on research and development from 1980 through 1989. As impressive as this figure is, Merck is not an industry leader in R&D spending—not in percentages. Over the past five years the company has made R&D outlays averaging 11.5% of sales, while Syntex is at 16.6% and Marion Merrell Dow at 14.3%.

Which companies are the biggest investors in research? We searched the Media General database in Lotus One Source for manufacturers with at least $100 million in sales whose ratios of R&D-to-sales are considerably higher than the norms for their industries. Other things being equal, a company that puts a lot of money into research should command a higher price/earnings multiple. That's because R&D outlays, deducted immediately from earnings, are a form of investment in future earnings.

There is, of course, a different sort of risk in scientific research than in tangible capital investments, like warehouses and steel mills. Says Jami Rubin, a drug industry analyst at Bear, Stearns: "Only 1 in 5,000 ideas for drugs makes it to market, and only 1 in 5 compounds that make it from the labs into clinical testing ever reaches consumers." Merck's research has paid off with such blockbusters as Mevacor, the anticholesterol drug, and Vasotec, the heart drug. Other researchers haven't been as lucky.

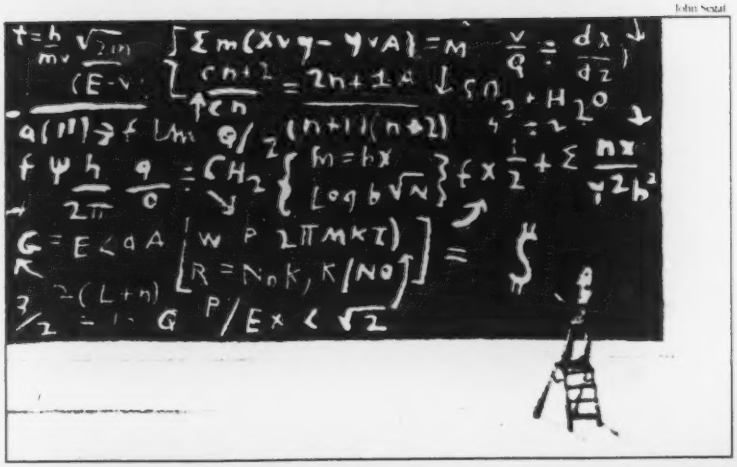
Heavy R&D spending is also essential to survival in the aerospace industry. Over the last five years Boeing

Big spenders

These firms have been spending more out of each sales dollar on research and development than their industry-group peers. (The score in the far right column is scaled so that 100 means tying the industry in the ratio of R&D to sales.) Many of these companies, not surprisingly, trade at high multiples of their earnings.

Company/industry	Recent price	P/E	Debt/ equity	Earnings per share current	Earnings per share 1991 estimated	Earnings per share estimated 5-year growth	5-year average R&D/ sales	R&D versus industry
Boeing/aerospace & defense	46¼	13.9	4%	$3.32	$5.04	17%	4.2%	113
Dow Chemical/chemicals	45¾	8.1	48	5.68	4.23	9	5.0	141
EI du Pont de Nemours/chemicals	36⅝	10.7	27	3.42	3.57	9	4.1	115
General Signal/precision instruments	38	27.0	65	1.41	4.01	9	6.1	115
Ingersoll-Rand/heavy machinery	37	9.5	20	3.89	3.62	10	3.7	121
KLA Instruments/precision instruments	9⅛	22.8	0	0.40	0.40	15	10.6	200
Eli Lilly/drugs	74½	19.9	7	3.74	4.71	18	12.7	119
Lockheed/aerospace & defense	32⅞	16.6	89	1.98	5.07	6	4.9	131
Marion Merrell Dow/drugs	35½	13.7	7	2.60	1.98	13	14.3	134
McDonnell Douglas/aerospace & defense	40⅞	11.9	93	3.43	5.27	7	4.1	110
Merck/drugs	88⅜	20.3	3	4.35	5.34	18	11.5	107
Millipore/precision instruments	36	18.5	26	1.95	2.29	14	7.5	141
Northrop/aerospace & defense	19¼	6.7	67	2.86	2.95	8	4.4	118
Procter & Gamble/personal care prods	86⅝	19.4	55	4.47	5.84	12	3.1	168
Rohm & Haas/chemicals	35¾	12.5	27	2.87	2.87	10	6.3	177
Sundstrand/aerospace & defense	28¾	9.6	41	2.99	3.05	11	5.9	158
Syntex/drugs	58⅛	17.9	37	3.24	3.61	15	16.6	155
Trinova/heavy machinery	18¾	9.6	31	1.92	1.92	10	3.8	124
United Technologies/aerospace & defense	46⅝	17.9	41	6.02	6.03	9	5.3	142
Upjohn/drugs	38¾	9.6	15	1.18	2.65	13	13.9	130

Sources: Media General; Institutional Brokers Estimate System (a service of Lynch, Jones & Ryan), via Lotus One Source.



John Sextal

spent 4% of its sales on designing new aircraft and equipment. The aerospace giant now has a backlog of $86 billion and has 34 firm orders for the new 777 airliner it just launched.

In many industries there appears to be a positive relationship between the amount spent on R&D and Wall Street's expectations of future growth. Investors seem willing to pay a premium for earnings backed by heavy R&D over earnings backed by merely routine R&D. In addition to a 1991 earnings estimate, our table shows a five-year earnings growth rate as projected by the Institutional Brokers Estimate System. Note that where analysts see high R&D they frequently project higher growth than for companies with less R&D. ■

The Funds

Money manager Michael Price is having trouble following a tough act—his own. Is this just a temporary lapse, or has he lost it?

Bear market blues

By Richard Phalon

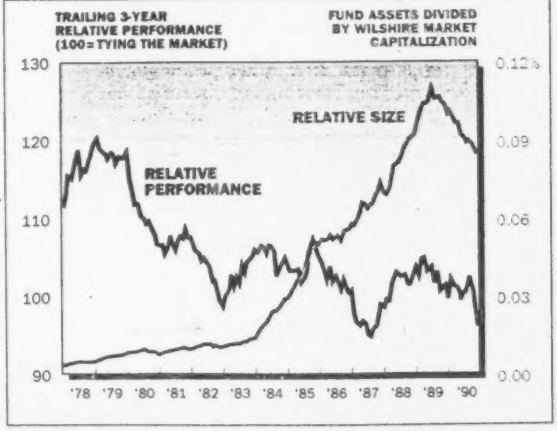
WIZARDRY in bear markets has traditionally been a very strong suit at Michael Price's Mutual Series family of funds (Mutual Shares, Qualified and Beacon). When much of the competition got creamed between mid-1983 and mid-1984, Price and his mentor, Max Heine, produced double-digit gains. In the crash year of 1987 Price pulled yet another impressive plus out of his sleeve.

On form, then, in a market slide shaping up as the worst in 15 years, Price should be knocking them dead. But he is not even keeping up. Price's two biggest funds—the $2.6 billion Mutual Shares and the similarly managed $1 billion Mutual Qualified—were off 10% in 1990 (through Dec. 26). That compares with a 5% decline for the S&P 500 average. (Both numbers include reinvested dividends.) "I'm giving myself a C on performance," says Price, "maybe a C–, because we work harder." It's a comedown for Price, whose funds rated an A+ in downmarket performance over the long pull in the FORBES fund survey *(Sept. 3, 1990)*. Beacon rates a B, but that grade reflects, in part, several years of mediocre performance before Heine and Price took over the fund.

Price, long the legendary Max Heine's right-hand man, bought Mutual's management company

The good old days

Mutual Shares, the flagship fund of Michael Price's Mutual Series family, turned in its best results when it was much smaller than it is now.

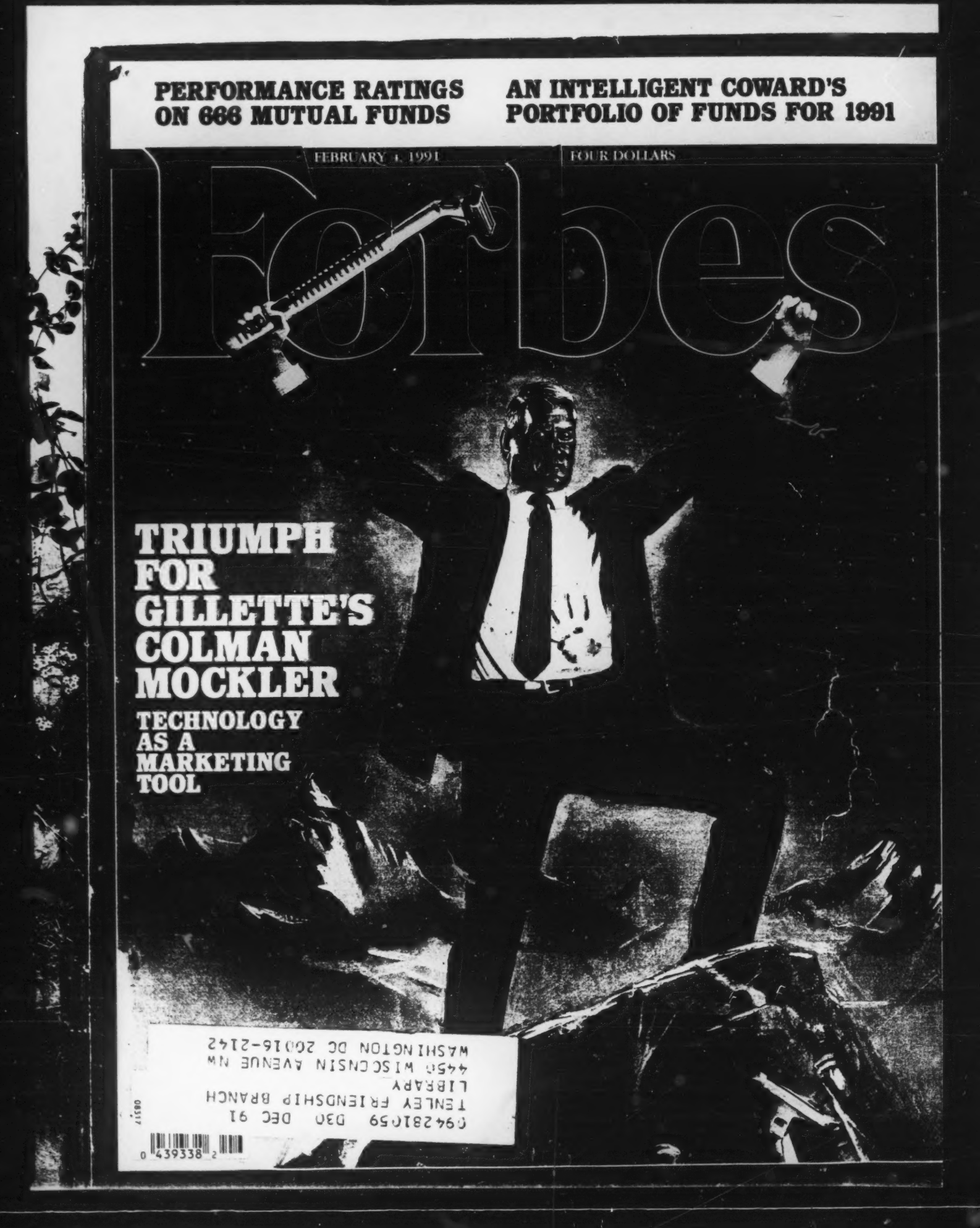


PERFORMANCE RATINGS ON 666 MUTUAL FUNDS

AN INTELLIGENT COWARD'S PORTFOLIO OF FUNDS FOR 1991

FEBRUARY 4, 1991 FOUR DOLLARS

Forbes



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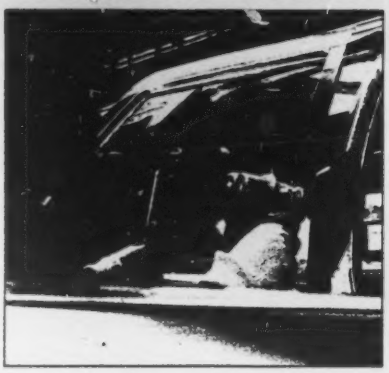

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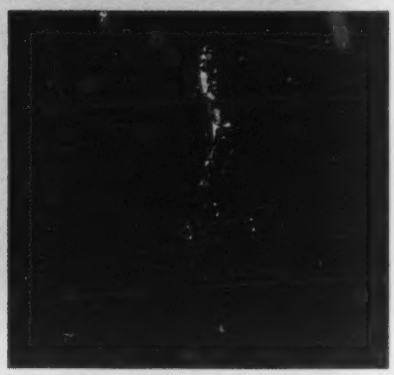

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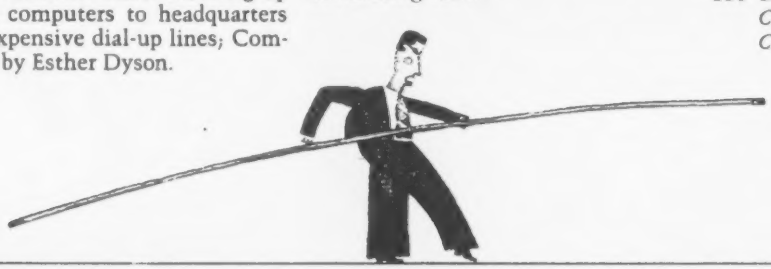

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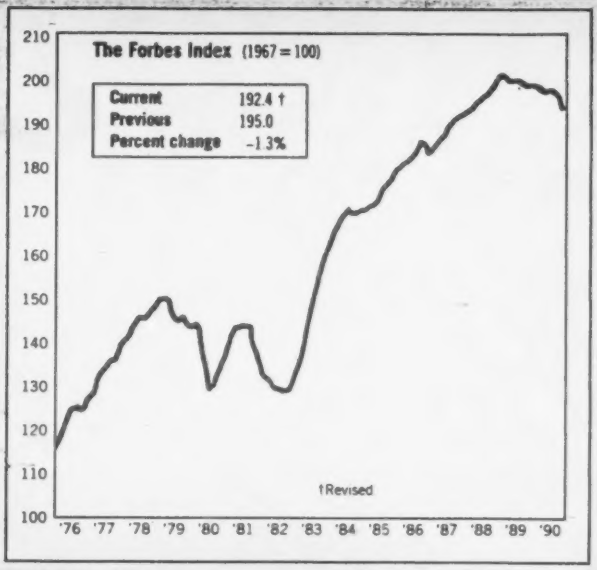
The Forbes Index



At least stagflation isn't back—yet. The current economic downturn is not accompanied by the runaway prices of the 1974 and 1981 recessions. At the retail level the consumer price index rose 0.2% in November. Wholesale prices declined 0.8% in December. This drop in the seasonally unadjusted producer price index (finished goods) is the largest since March 1986. For the year, the producer price index increased 5.6%, against a 4.9% gain in 1989. The all-commodity producer price index, which measures wholesale prices in all stages of production, rose 5% in 1990.

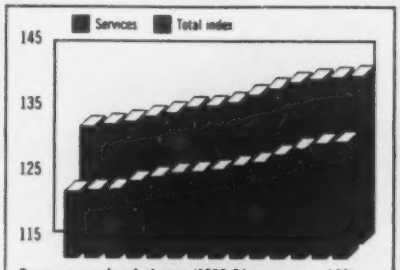
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	9.25%
Auto sales year to date vs. 1989[1]	Ward's Automotive	-2.6%
Index of leading indicators November vs. October	Dept of Commerce	-1.2%
Trade balance 12 months ended October 1990	Dept of Commerce	-$103 bil
All-commodity producer price index Dec vs. 1989[2]	Dept of Labor	5.0%
GNP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	1.4%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	14.0%

[1] U.S.-based manufacturers, excludes imports, as of 12/31/90. [2] Wholesale goods. [3] November 1990.

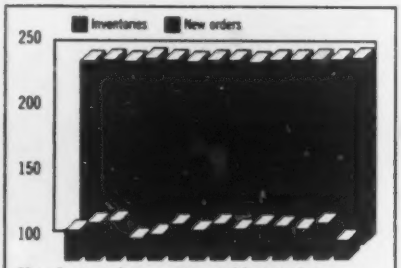
Index Components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)



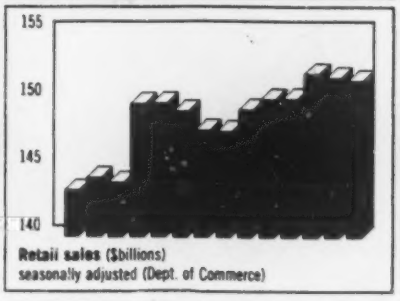
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)

Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)

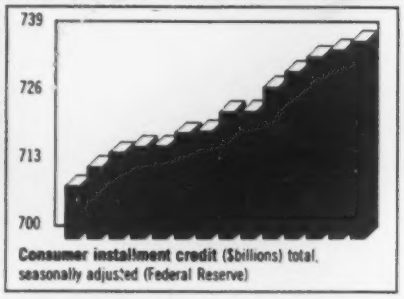
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)

New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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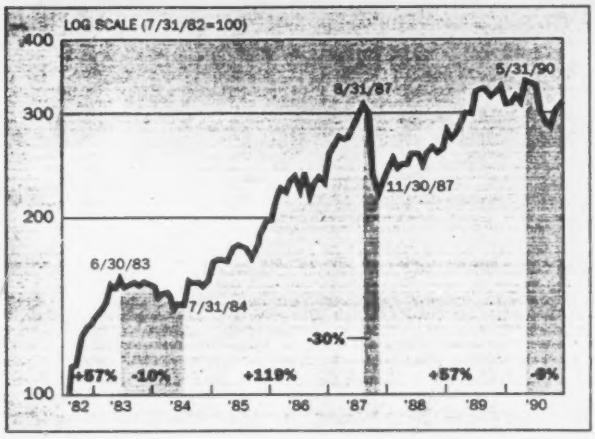
Stock and Balanced Funds



This update of the annual fund survey *(Sept. 3, 1990)* covers stock and balanced funds below, taxable bond funds on page 110 and municipal bond funds on page 112.

We rate funds separately for bull and bear markets. If you want good recent performance with a proven record of riding bull markets, look for a fund that scores an A in down markets and a B or better in up markets, and didn't lose money last year. You'll find four: Franklin Growth Fund, Investment Co. of America, Mexico Fund and Phoenix Growth Fund. A fifth, Fidelity Congress Street Fund, is an exchange fund and closed to new investors.

This table includes stock and balanced funds that have at least $25 million in assets and have been around for at least two market cycles *(see chart)*. The last two up-and-down cycles go back to July 1984. Funds dating back to July 1982 are rated over three cycles.

Our data sources include CDA Investment Technologies and Lipper Analytical Services.

Fund	Performance in UP —markets—	DOWN	12-month total return
ABT Growth & Income Trust	C	C	-9.2%
ABT Utility Income Fund	D	A+	-6.1
*Acorn Fund	B	C	-17.6
*Adams Express	D	B	0.9
Aegon USA Growth Fund	D	B	-6.2
AFA National Aviation & Technology	B	D	-19.2
AFA National Telecom & Technology	D	D	-18.5
Affiliated Fund	C	B	-5.4
Aim Equity-Charter Fund	C	B	8.1
Aim Equity-Constellation Fund	A+	F	-4.1
Aim Equity-Weingarten Equity	A+	C	5.5
Aim Summit Fund	B	D	0.9
Alliance Balanced Shares	C	B	-2.2
Alliance Fund	B	D	-3.0
†Alliance Global-Small Cap	A	D	-24.9
Alliance Growth & Inc	C	B	-1.8
†Alliance International Fund	A	C	-21.0
Alliance Quasar Fund	A+	D	-23.4
Alliance Technology Fund	A+	F	-2.6
Amcap Fund	C	B	-4.1
American Balanced Fund	B	C	-1.6
American Capital Comstock	C	C	-3.4
*American Capital Convert Secs	B	D	-8.3
American Capital Emerging Grow	D	C	1.9
American Capital Enterprise	B	D	-2.9
American Capital Equity Income	B	D	-4.6
*American Capital Exchange Fund	B	B	2.1
American Capital Growth & Inc	C	B	-5.2
American Capital Harbor Fund	A	D	-1.2
American Capital Pace Fund	C	C	-5.9
American Growth Fund	D	A	-6.9
American Investors Growth	C	F	-17.5%
American Leaders Fund	D	A	-1.8
American Mutual Fund	D	A	-1.6
American National Growth	B	D	-3.0
American National Income	D	A	0.7
AMEV Capital Fund	B	C	-9.5
AMEV Fiduciary Fund	A	D	-11.1
AMEV Growth Fund	A	D	-6.3
*Analytic Optioned Equity Fund	D	A+	1.5
*†ASA Limited	D	D	-32.7
Axe-Houghton Fund B	B	C	7.2
Axe-Houghton Growth	A	D	6.4
*Babson Enterprise Fund	B	D	-15.9
*Babson Growth Fund	C	C	-9.4
Bffird Capital Development Fund	B	D	-7.6
*Baker, Fentress & Co	D	C	-19.8
*Bancroft Convertible Fund	D	C	-4.6
*Bartlett Capital-Basic Value	D	A	-9.6
*Bergstrom Capital	C	A	5.5
Boston Co Capital Appreciation	B	B	-13.4
Boston Co Special Growth Fund	C	C	-3.1
Bull & Bear Capital Growth	C	D	-26.2
†Bull & Bear Gold Investors	D	D	-22.1
Burnham Fund	D	A+	0.1
Calvert Social Inv-Managed Grow	C	C	1.7
*Capital Exchange Fund	C	A	5.7
Cardinal Fund	C	A	-6.3
Carnegie-Cappiello-Growth	B	C	-8.3
*Castle Convertible Fund	D	C	-3.8
*Central Securities	C	D	-11.5
*Century Shares Trust	C	A	-7.9

*Fund has no load or shareholder-paid 12b-1 plan. †Foreign funds were rated over down market periods from 3/31/84 to 7/31/84, 8/31/87 to 10/31/87, and 12/31/89 to 12/31/90, and for up market periods from 9/30/82 to 3/31/84, 7/31/84 to 8/31/87, and 10/31/87 to 12/31/89. Foreign market cycles were measured with the dollar-adjusted Morgan Stanley Capital International EAFE (Europe Australia Far East) Index.

Stock and Balanced Funds

Fund	Performance in UP —markets—	DOWN	12-month total return
*CGM Cap Development	A+	D	1.5%
*CGM Mutual Fund	A+	D	1.1
*Chestnut Street Exchange Fund	B	B	–0.7
Cigna Growth Fund	B	C	–5.0
Cigna Value Fund	B	C	1.9
*Clipper Fund	C	A	–7.6
Colonial Fund	A	D	–7.5
Colonial Growth Shares Trust	A	C	–10.6
Colonial Strategic Inc-Diversified	F	A	–6.8
*Columbia Growth Fund	A	C	–3.3
Commonwealth Inv-Balanced	C	C	0.8
Composite Bond & Stock Fund	C	C	0.1
Composite Growth Fund	D	B	–5.9
*Copley Fund	D	A+	–1.5
Country Capital Growth Fund	C	C	–3.8
Dean Witter American Value	C	C	–0.9
Dean Witter Devel Growth Secs	D	D	–3.8
Dean Witter Div Growth Secs	C	A	–7.2
Dean Witter Natural Res Devel	C	D	–8.7
†Dean Witter World Wide Inv	C	A	–10.2
Delaware Group Decatur Fund-I	C	B	–12.2
Delaware Group Trend Fund	A+	F	–24.5
*Depositors Fund of Boston	B	C	–1.5
*Diversification Fund	B	C	–1.5
*Dodge & Cox Balanced Fund	A	C	1.0
*Dodge & Cox Stock Fund	A	B	–5.1
*Dreyfus Convertible Securities	B	D	–16.7
*Dreyfus Fund	D	A	–3.4
*Dreyfus Growth Opportunity Fund	C	C	–6.6
Dreyfus Leverage Fund	D	A	–1.5
*Dreyfus Third Century Fund	D	B	3.5
Eaton Vance Growth Fund	B	C	–4.8
Eaton Vance Inc Fund of Boston	F	B	–15.4
Eaton Vance Investors Fund	C	B	0.8
Eaton Vance Special Equities	D	C	2.3
Eaton Vance Stock Fund	C	A	0.6
Eaton Vance Total Return Trust	D	A+	0.1
Enterprise Group-Growth	B	C	–2.3
*Equity Strategies Fund	B	C	22.5
†EuroPacific Growth Fund	B	A	–0.1
*Evergreen Fund	B	C	–11.7
*Evergreen Limited Market Fund	A	B	–10.4
*Evergreen Total Return Fund	D	A	–6.2
*Exchange Fund of Boston	B	B	–2.1
FBL-Growth Common Stock	D	B	5.2

Fund	Performance in UP —market—	DOWN	12-month total return
*Federated Exchange Fund	C	B	–4.4%
*Federated Stock & Bond Fund	D	A	0.2
*Federated Stock Trust	C	A	–5.0
*Fidelity Congress Street Fund	A	A	1.0
Fidelity Contrafund	A	D	3.9
*Fidelity Destiny Portfolio I	A	C	–2.9
Fidelity Equity Income Fund	C	B	–13.9
*Fidelity Exchange Fund	B	B	–0.5
*Fidelity Freedom Fund	A	C	–10.0
*Fidelity Fund	B	B	–5.0
Fidelity Growth Company	A	D	3.6
Fidelity Magellan Fund	A+	C	–4.8
Fidelity Puritan Fund	B	C	–6.2
Fidelity Select-Energy	D	B	–4.5
Fidelity Select-Health Care	A+	C	24.1
Fidelity Select-Leisure	A	D	–22.3
Fidelity Select-Prec Metals & Mins	D	C	–21.1
Fidelity Select-Technology	A	D	12.0
Fidelity Select-Utilities	D	A+	0.5
Fidelity Special Situations-Initial	B	A	–6.6
*Fidelity Trend Fund	B	D	–12.7
*Fidelity Value Fund	B	D	–12.8
*Fiduciary Exchange Fund	A	C	2.3
*Financial Dynamics Fund	C	D	–6.4
*Financial Industrial Fund	C	D	–1.2
*Financial Industrial Income	C	A	0.9
*Financial Strategic-Energy	B	D	–16.5
*Financial Strategic-Gold	F	C	–23.2
*Financial Strategic-Health Sci	A	B	25.8
†First Investors Global Fund	B	C	–12.1
Flag Investors Telephone Income	B	A	–7.9
Flex-funds-Growth Fund	F	A+	4.3
Founders Blue Chip	B	B	0.4
Founders Growth Fund	B	D	–10.6
*Founders Special Fund	A	D	–10.6
FPA Capital Fund	B	D	–13.1
FPA Paramount Fund	C	A	2.2
FPA Perennial Fund	C	A	1.6
Franklin DynaTech Fund	B	C	3.2
Franklin Equity Fund	B	C	–9.0
†Franklin Gold Fund	C	D	–19.7
Franklin Growth Fund	B	A	2.1
Franklin Income Fund	D	B	–8.8
Franklin Option Fund	D	A	–8.8
Franklin Utilities Fund	D	A+	0.4

*Fund has no load or shareholder-paid 12b-1 plan. †Foreign funds were rated over down market periods from 3/31/84 to 7/31/84, 8/31/87 to 10/31/87, and 12/31/89 to 12/31/90, and for up market periods from 9/30/82 to 3/31/84, 7/31/84 to 8/31/87, and 10/31/87 to 12/31/89. Foreign market cycles were measured with the dollar-adjusted Morgan Stanley Capital International EAFE (Europe Australia Far East) Index.

Stock and Balanced Funds

Fund	Performance in UP —markets—	DOWN	12-month total return
Fundamental Investors	A	B	–6.3%
*Gateway Index Plus Fund	D	A	10.2
General Aggressive Growth	B	C	–1.9
*General American Investors	A	C	4.7
Gintel Erisa Fund	D	B	–5.1
*Gintel Fund	C	B	–6.7
*GIT Equity Trust-Special Growth	B	F	–15.9
Gradison Established Growth	C	B	–8.1
Growth Fund of America	B	C	–4.2
*Growth Industry Shares	C	C	–8.8
†GT Global Growth-Pacific	A	C	–10.9
Guardian Park Ave Fund	A	B	–12.3
John Hancock Growth Trust	B	C	–8.6
*Wayne Hummer Growth Fund	C	B	5.0
*IAI Regional Fund	A	B	–0.4
*IAI Stock Fund	C	B	–6.8
IDS Discovery Fund	B	D	0.0
IDS Equity Plus	B	C	–3.3
IDS Growth Fund	A+	D	3.1
IDS Mutual	C	B	–3.0
IDS New Dimensions Fund	A	B	5.3
IDS Progressive Fund	D	C	–17.7
IDS Stock Fund	C	B	1.7
IDS Strategy-Aggressive Equity	A	C	–0.7
IDS Strategy-Equity	C	B	–5.9
Income Fund of America	C	A	–1.3
Investment Co of America	B	A	1.4
Investment Port-Equity	C	C	–1.5
ITB-Growth Opportunities	C	C	–4.2
Investors Research Fund	A	C	–1.7
*Ivy Growth Fund	C	A	–3.8
*Janus Fund	B	B	–0.7
*†Japan Fund	B	B	–16.3
Kemper Growth Fund	A	C	3.7
†Kemper International Fund	B	C	–7.2
Kemper Summit Fund	B	D	–5.4
Kemper Technology Fund	B	C	0.3
Kemper Total Return Fund	A+	F	4.1
Keystone America Omega	A	D	–6.1
Keystone Custodian K-1	C	C	–1.9
Keystone Custodian K-2	B	D	–7.2
Keystone Custodian S-1	C	B	–5.1
Keystone Custodian S-3	B	C	–11.3
Keystone Custodian S-4	A	F	–6.0
†Keystone International Fund	D	C	–23.9
†Keystone Precious Metals	D	D	–26.1%
†Kleinwort Benson-Intl Equity	B	C	–14.7
Legg Mason Value Trust	C	B	–16.9
Lexington Corp Leaders Trust	B	B	–4.2
*Lexington Goldfund	D	B	–20.8
*Lexington Research Fund	C	C	–10.3
Lindner Dividend Fund	D	A	–6.5
Lindner Fund	D	A	–11.2
Lord Abbett Developing Growth	C	D	–6.4
Lord Abbett Value Appreciation	C	C	–4.6
Lutheran Brotherhood Fund	D	A	–2.0
*Horace Mann Growth Fund	B	C	–11.9
Mass Capital Development Fund	B	D	–4.4
Mass Financial Development	B	D	–6.0
Mass Financial Emerging Growth	A	D	–11.5
Mass Financial Special Fund	B	D	–11.8
Mass Financial Total Return	A	C	–2.3
Mass Investors Growth Stock	C	C	–4.8
Mass Investors Trust	B	B	–0.1
*Mathers Fund	D	A	10.4
Merrill Lynch Basic Value	B	B	–13.0
Merrill Lynch Capital Fund	C	A	1.0
Merrill Lynch Fund Tomorrow	D	B	–5.8
†Merrill Lynch Intl Holdings	C	B	–9.2
†Merrill Lynch Pacific Fund	A	C	–9.2
Merrill Lynch Phoenix Fund	A	D	–19.7
Merrill Lynch Special Value	D	D	–27.5
*†Mexico Fund	A+	A+	28.6
Mutual Benefit Fund	A	B	–5.3
Mutual of Omaha Growth	A	D	–8.4
Mutual of Omaha Income	D	A	3.5
*Mutual Series-Beacon	D	B	–8.2
*Mutual Series-Mutual Shares	D	A+	–9.8
*Mutual Series-Qualified	D	A+	–10.1
National Aggres Growth	C	D	–22.6
*National Industries Fund	D	B	3.1
National Stock Fund	D	B	–6.6
National Total Income Fund	C	A	–1.5
National Total Return Fund	B	D	–6.1
Nationwide Fund	B	B	0.3
Nationwide Growth Fund	C	B	–7.6
*Neuberger & Berman Guardian	B	B	–4.7
*Neuberger & Berman Manhattan	A	C	–8.0
*Neuberger & Berman Partners	D	A	–5.1
*Neuberger & Berman Sectors + Energy	D	B	–5.9

*Fund has no load or shareholder-paid 12b-1 plan. †Foreign funds were rated over down market periods from 3/31/84 to 7/31/84, 8/31/87 to 10/31/87, and 12/31/89 to 12/31/90, and for up market periods from 9/30/82 to 3/31/84, 7/31/84 to 8/31/87, and 10/31/87 to 12/31/89. Foreign market cycles were measured with the dollar-adjusted Morgan Stanley Capital International EAFE (Europe Australia Far East) Index.

Stock and Balanced Funds

Fund	Performance in UP —markets—	DOWN	12-month total return
New Economy Fund	B	C	–10.1%
New England Balanced	D	B	–10.6
New England Growth Fund	A	C	5.1
New England Retirement Equity	C	C	–13.6
†New Perspective Fund	B	B	–2.0
New York Venture Fund	A	B	–2.6
*Newton Growth Fund	B	D	–4.5
*Niagara Share Corp	C	C	–8.8
*Nicholas Fund	C	B	–4.8
*Nicholas II	C	B	–6.2
Oppenheimer Directors Fund	A	D	–6.9
Oppenheimer Equity Income	B	A	–1.4
Oppenheimer Fund	C	D	–4.5
†Oppenheimer Global Fund	C	B	–0.8
Oppenheimer Gold & Spec Mins	C	F	–26.8
Oppenheimer Premium Inc	F	A+	–7.7
Oppenheimer Regency Fund	D	D	–6.1
Oppenheimer Special Fund	D	B	–2.5
Oppenheimer Target Fund	A	D	–2.1
Oppenheimer Time Fund	A	C	–7.1
Oppenheimer Total Return	B	C	–3.8
Over-the-Counter Securities Fund	C	D	–20.5
Pacific Horizon-Aggres Growth	A	B	5.0
†PaineWebber Classic Atlas Fund	A	B	–7.4
PaineWebber Classic Grow & Inc	D	B	0.1
Pax World Fund	B	B	10.4
Penn Square Mutual Fund	C	B	–5.2
Pennsylvania Mutual Fund	B	B	–11.5
Permanent Port-Permanent	C	B	–3.9
*Petroleum & Resources Corp	D	B	–4.2
Philadelphia Fund	D	B	–11.4
Phoenix Balanced Fund	C	A	7.3
Phoenix Convertible Fund	B	B	4.2
Phoenix Growth Fund	B	A	6.0
Phoenix Stock Fund	B	B	–5.6
Phoenix Total Return	D	A	4.4
Pilgrim MagnaCap Fund	C	B	–1.9
*Pine Street Fund	C	B	–3.5
Pioneer Fund	C	C	–10.5
Pioneer II	B	C	–12.0
Pioneer Three	C	C	–13.0
*T Rowe Price Growth & Income	D	B	–11.1
*T Rowe Price Growth Stock Fund	C	C	–4.3
*†T Rowe Price International Stock	B	B	–8.9
*T Rowe Price New Era Fund	C	B	–8.8
*T Rowe Price New Horizons Fund	B	D	–9.7%
Princor Capital Accumulation	D	B	–10.8
Princor Growth Fund	B	D	–1.4
ProvidentMutual Growth	C	C	–9.0
ProvidentMutual Investment Shrs	C	B	–16.4
ProvidentMutual Total Return	C	C	–10.5
Pru-Bache Equity Fund	B	C	–14.7
†Pru-Bache Global Fund	C	C	–17.8
Pru-Bache Growth Oppor	B	D	–12.0
Pru-Bache Option Growth	C	B	–2.4
Pru-Bache Research Fund	C	C	–10.3
Pru-Bache Utility Fund	D	A+	–6.7
Putnam Convert Income-Growth	B	D	–10.0
Putnam Energy-Resources Trust	D	C	–4.9
Putnam Fund for Growth & Inc	C	A	2.4
George Putnam Fund of Boston	A	D	–1.0
†Putnam Global Growth	C	B	–9.2
Putnam Health Sciences Trust	A	C	15.5
Putnam Information Sciences	B	D	–6.2
Putnam Investors Fund	B	C	–2.8
Putnam Option Income Trust	D	C	–7.1
Putnam OTC Emerging Growth	A	D	–10.0
Putnam Vista Fund	A	C	–7.0
Putnam Voyager Fund	A	D	–2.9
Quest for Value Fund	C	B	–6.9
Rea-Graham Balanced Fund	C	B	–5.7
Royce Fund-Value	D	B	–13.7
*Safeco Equity Fund	B	C	–8.6
*Safeco Growth Fund	B	D	–15.0
*Safeco Income Fund	D	A	–11.9
Salomon Brothers Capital	A	D	–9.0
*Salomon Brothers Fund	C	C	–6.3
Salomon Brothers Investors	C	C	–6.4
*Salomon Brothers Opportunity	B	A	–16.0
*SBSF-Growth Fund	C	A	–2.7
Sci/Tech Holdings	D	C	–6.0
*Scudder Capital Growth	A	D	–17.0
*Scudder Development Fund	C	D	1.4
*Scudder Growth & Income Fund	C	B	–2.3
*†Scudder International Fund	B	B	–8.9
*Second Fiduciary Exchange Fund	C	C	–0.8
Security Action Fund	C	D	–10.1
Security Equity Fund	A	C	–4.7
Security Investment Fund	D	B	–3.0
Security Ultra Fund	C	F	–27.6

*Fund has no load or shareholder-paid 12b-1 plan. †Foreign funds were rated over down market periods from 3/31/84 to 7/31/84, 8/31/87 to 10/31/87, and 12/31/89 to 12/31/90, and for up market periods from 9/30/82 to 3/31/84, 7/31/84 to 8/31/87, and 10/31/87 to 12/31/89. Foreign market cycles were measured with the dollar-adjusted Morgan Stanley Capital International EAFE (Europe Australia Far East) Index.

Stock and Balanced Funds

Fund	Performance in UP markets	Performance in DOWN markets	12-month total return
Selected American Shares	D	A	–3.9%
Selected Special Shares	B	C	–6.9
Seligman Capital Fund	A+	D	1.4
Seligman Common Stock Fund	B	B	–3.9
Seligman Communications & Info	A	D	–11.1
Seligman Growth Fund	B	D	–5.2
Seligman Income Fund	D	B	–8.3
Sentinel Balanced Fund	C	B	1.9
Sentinel Common Stock Fund	C	A	–2.7
Sentinel Growth Fund	A	D	0.5
Sentry Fund	C	C	5.2
*Sequoia Fund	D	A+	–3.9
Shearson Aggressive Growth	A	D	–6.0
Shearson Appreciation	B	B	–0.3
Shearson Fundamental Value	D	B	–8.5
†Shearson Global Opportunities	C	C	–11.3
Shearson Invest-Growth	D	B	–4.5
Shearson Invest-Special Equities	D	D	–24.3
Shearson Telecommun-Growth	B	C	–13.5
Shearson Telecommun-Income	B	A	–1.8
*Sit New Beginning Growth Fund	B	C	–1.6
Smith Barney Equity Fund	C	B	–3.2
Smith Barney-Income & Growth	D	A	–9.5
†SoGen International Fund	C	A	–1.3
*Source Capital	D	A	–3.7
Sovereign Investors	D	A+	4.4
State Bond Common Stock Fund	B	C	0.9
*State Street Exchange Fund	A	C	–6.5
State Street Growth Fund	B	C	–4.7
State Street Investment Trust	B	B	–1.0
*SteinRoe Capital Opportunities	A	F	–29.1
*SteinRoe Special Fund	A+	C	–5.9
*SteinRoe Stock Fund	A	D	0.9
*SteinRoe Total Return Fund	C	C	–1.8
Strategic Investments Fund	F	F	–41.9
*Stratton Monthly Dividend Shares	F	A+	–3.8
Strong Investment Fund	D	A	2.7
Strong Total Return Fund	C	B	–7.1
†Templeton Foreign Fund	B	A	–2.9
†Templeton Global	C	B	–15.5
†Templeton Growth Fund	C	A	–8.8
†Templeton World Fund	C	B	–15.6
Thomson McKinnon-Growth	A	B	0.2
Thomson McKinnon-Oppor	B	C	–7.4
Transamerica Growth & Income	C	C	–0.5
Transamerica Technology Fund	C	D	–6.4%
*Tri-Continental Corp	B	B	–1.7
*20th Century Growth Investors	A+	D	–3.9
*20th Century Select Investors	A+	C	–0.5
*20th Century Ultra Investors	A+	D	9.0
*20th Century Vista Investors	A	F	–15.7
*UMB Stock Fund	C	A	–2.4
United Accumulative Fund	C	B	–10.2
United Continental Income Fund	A	D	–6.1
United Income Fund	A	A	–5.4
†United International Growth	C	B	–13.7
United New Concepts Fund	D	B	1.9
United Retirement Shares	B	D	1.8
United Science & Energy Fund	C	B	–3.6
*†United Services-Global Res	D	D	–10.7
*†United Services-Gold Shares	D	D	–34.2
US Trend Fund	B	C	–3.6
United Vanguard Fund	B	C	–3.6
*USAA Mutual-Aggressive Growth	B	D	–12.0
*USAA Mutual-Growth Fund	C	C	–0.1
*Value Line Fund	C	D	–0.7
*Value Line Income Fund	D	A	2.0
*Value Line Leveraged Growth Inv	C	D	–1.7
*Value Line Special Situations	D	D	–4.5
†Van Eck International Investors	D	D	–27.0
*Vance, Sanders Exchange Fund	B	C	0.5
Vance, Sanders Special Fund	D	D	–23.4
*Vanguard Explorer Fund	D	D	–10.8
*Vanguard High Yield Stock	D	A	–29.5
*Vanguard Index-500 Portfolio	B	B	–3.3
*Vanguard/Morgan Growth	A	C	–1.5
*Vanguard Small Cap Stock	C	F	–18.2
Vanguard Special-Energy	A	C	–1.4
†Vanguard Special-Gold & Prec	D	D	–19.9
Vanguard Special-Health Care	A	B	16.7
*Vanguard STAR Fund	C	C	–3.7
*†Vanguard Trustees Comm-Intl	B	A	–12.2
*Vanguard Trustees Comm-US	B	C	–8.3
*Vanguard Wellesley Income Fund	D	A+	3.7
*Vanguard Wellington Fund	A	C	–2.8
*Vanguard Windsor Fund	B	B	–15.5
Washington Mutual Investors	B	A	–4.2
Winthrop Focus Funds-Growth	D	D	–7.3
*WPG Fund	B	D	–10.2
*WPG Tudor Fund	A	D	–5.0

*Fund has no load or shareholder-paid 12b-1 plan. †Foreign funds were rated over down market periods from 3/31/84 to 7/31/84, 8/31/87 to 10/31/87, and 12/31/89 to 12/31/90, and for up market periods from 9/30/82 to 3/31/84, 7/31/84 to 8/31/87, and 10/31/87 to 12/31/89. Foreign market cycles were measured with the dollar-adjusted Morgan Stanley Capital International EAFE (Europe Australia Far East) Index.

Taxable Bond Funds

The funds listed below buy government bonds, corporate bonds and mortgage-backed securities like Ginnie Maes. We rate taxable bond funds over three market cycles covering the period June 30, 1980 to Dec. 31, 1990. Our rating system aims to reward consistency of performance as much as end results. A fund must have been in operation for at least two up and two down market periods—since Apr. 30, 1983—to be rated. Our benchmark is the Merrill Lynch Corporate/Government bond index. More information about the rating system appears in the annual fund survey *(Sept. 3, 1990)*.

As with equity funds, the idea is to show separately how well a fund does in bull and in bear markets. And, like equity funds, bond funds do not often shine in all kinds of weather. The ones that do well in bull markets (when interest rates are falling and bond prices are going up) tend to be the ones with the longest-maturity bonds. Portfolios of short-term bonds, by contrast, suffer the least during periods of rising interest rates but don't keep up with long bonds during bull markets, that is, when rates fall.

The following table rates taxable bond funds that have either $500 million in assets and 12 months of performance history, or $25 million and enough performance to be rated.

Total return reflects both interest income and gains or losses in principal. It does no good, of course, to collect a lot of interest and lose more than that in principal. Dean Witter High Yield Securities pays large dividends but still lost enough principal last year to turn in a total return of minus 39.8%.

Tax-exempt bond funds, shown in the table on page 112, are graded separately in up and down markets. For them, however, each month since Dec. 31, 1985 was treated as either a bull or bear month, according to the performance of the Shearson Lehman Hutton municipal bond index. It's been a mostly bullish period for the bond market, with declining interest rates. Thus, the ratings reflect the fact that long-term funds, which are higher in interest rate risk, do relatively well in bull markets and poorly in bear ones, while short-term funds do the reverse. As with taxable bond funds, very few municipal bond funds excel in both kinds of markets.

Fund	Performance in UP —markets—	DOWN	12-month total return
*AARP Inc-GNMA & US Treas			9.7%
*ACM Government Securities			8.4
AMA Family of Funds-US Govt Inc +	D	C	8.4
*AMEV Securities	C	D	4.2
AMEV US Govt Securities Fund	B	B	10.4
Aim High Yield Securities	F	A	–17.3
Alliance Bond-Monthly Inc	A	D	5.5
Alliance Mortgage Secs Income			11.0
*American Capital Bond Fund	C	B	6.1
American Capital Corp Bond	C	B	7.0
American Capital Govt Secs			8.7
American Capital High Yld Inv	D	B	–15.8
Axe-Houghton Income Fund	B	C	4.2
*Babson Bond Trust-Porfolio L	C	B	7.6
*Benham Treasury Note Fund	D	A	9.1
*Blackstone Income Trust			16.8
*Blackstone Target Term Trust			11.4
Bond Fund of America	B	C	3.3
Boston Co Managed Income	D	A	3.9
*Bunker Hill Income Securities	C	C	0.4
Cigna High Yield Fund	C	B	–9.0
Cigna Income Fund	A	C	4.1
*Circle Income Shares	C	B	4.4
*CNA Income Shares	B	C	0.4
Colonial Government Secs Plus			5.5
Colonial High Yield Securities	D	A	–15.7
Colonial Income Trust	C	D	1.5
Composite Income Fund	C	C	8.2
*Comstock Partners Strategy Fund			2.4
*Current Income Shares	A	D	5.9
*Dean Witter Government Income			10.5%
Dean Witter Govt Secs Plus			7.1
Dean Witter High Yield Secs	F	B	–39.8
Dean Witter US Govt Securities			8.5
Delaware Group Delchester H-Y-I	C	C	–11.9
*Dreyfus A Bonds Plus	C	B	4.8
Dreyfus GNMA Fund			9.7
*1838 Bond-Debenture Trading	A+	F	2.8
*Excelsior Income Shares	B	F	8.4
*Federated GNMA Trust	B	C	10.4
Federated High Income Securities	D	C	–12.7
*Federated Income Trust	B	B	10.4
*Federated Intermediate Govt			9.4
*Federated Short-Intermed Govt			9.3
*Fidelity Flexible Bond Fund	B	D	5.9
*Fidelity Ginnie Mae			10.5
*Fidelity Government Securities	C	B	9.5
*Fidelity High Income Fund	C	A	–3.9
*Fidelity Intermediate Bond Fund	C	A	7.6
*Financial Bond Shs-Select Inc	C	C	4.9
First Investors Fund for Income	F	B	–18.7
First Investors High Yield Fund			–17.1
*Fort Dearborn Income Securities	A+	F	5.6
FPA New Income Fund	C	B	8.4
Franklin AGE High Income Fund	D	B	–14.1
Franklin Adj US Govt Securities			9.5
Franklin US Government Securities	B	D	10.7
Fund for US Govt Securities	B	D	9.7
Government Income Securities			9.5
John Hancock Bond Trust	B	D	5.9

*Fund has no load or shareholder paid 12b-1 plan.

Taxable Bond Funds

Fund	Performance in UP —markets—	DOWN	12-month total return
*John Hancock Income Securities	A	D	6.9%
*John Hancock Investors Trust	B	B	5.7
John Hancock US Govt Securities	D	B	7.0
*Hatteras Income Securities	B	C	3.2
Home Investors Govt Guar Inc	C	D	9.6
*IAI Bond Fund	B	D	7.0
IDS Bond Fund	A	C	4.7
IDS Extra Income Fund			–10.6
IDS Selective Fund	A	D	6.5
*INA Investment Securities	B	D	3.1
*Independence Square Income Secs	A	F	3.4
*InterCapital Income Securities	A	C	2.2
Investment Port-Govt			7.1
Investment Port-High Yield			–15.6
Kemper Diversified Income Fund	F	A+	–12.5
Kemper High Yield Fund	D	A	–12.8
Kemper Inc & Cap Preservation	B	C	6.5
Kemper US Government Secs	B	D	9.7
Keystone Custodian B-1	B	D	6.7
Keystone Custodian B-2	C	C	–2.0
Keystone Custodian B-4	D	A	–21.5
*Lexington GNMA Income Fund	C	D	9.2
*Lincoln National Income	C	A+	0.8
Lord Abbett Bond-Debenture	D	A	–7.5
Lord Abbett US Govt Secs	B	B	9.3
Lutheran Brotherhood Income	A	C	5.7
Mass Financial Bond Fund	A	D	7.1
Mass Financial High Inc-Series I	D	A	–17.8
*MassMutual Corporate Investors	C	A+	2.8
Merrill Lynch Corp-High Inc	D	A	–4.6
Merrill Lynch Corp-High Qual	B	D	7.0
Merrill Lynch Corp-Intermed	C	C	8.4
Merrill Lynch Federal Securities			10.4
Merrill Lynch Retire/Income			9.5
MetLife-State Street Govt Inc			8.9
*MFS Charter Income			–1.4
MFS Government Income Plus			3.5
*MFS Government Markets Income			7.6
*MFS Intermediate Income			7.2
MFS Lifetime Govt Income +			4.5
*MFS Multimarket Income Trust			2.3
Midwest Inc-Intermed Term Govt	D	B	6.9
*Montgomery Street Income Secs	B	D	5.8
Mutual of Omaha America	D	A	7.8
*Mutual of Omaha Interest Shares	A	C	5.9
National Bond Fund	D	D	–13.8
Nationwide Bond Fund	C	D	8.2
New England Bond Income	C	C	7.5
*Nicholas Income Fund	D	C	–1.0
*Northeast Investors Trust	C	C	–9.2%
Oppenheimer High Yield Fund	D	B	–3.2
*Pacific American Income Shares	A	C	5.9
PaineWebber Fixed Inc-US Govt			9.3
Phoenix High Yield Fund	D	B	–1.1
Pilgrim High Yield Trust	D	A	–9.3
*Pilgrim Prime Rate Trust			10.0
Pioneer Bond Fund	C	B	7.3
*T Rowe Price High Yield Fund			–11.0
*T Rowe Price New Income Fund	D	B	8.6
Pru-Bache GNMA Fund	C	C	8.5
Pru-Bache Government Plus			7.8
Pru-Bache Govt Secs-Intermed	C	B	7.6
Pru-Bache High Yield Fund	D	B	–8.8
*Prudential Strategic Income Fund			2.1
Putnam GNMA Plus Trust			8.2
Putnam High Income Government			7.4
Putnam High Yield Trust	D	B	–5.8
Putnam Income Fund	A	C	4.4
*Putnam Intermediate Govt Inc			10.2
*Putnam Premier Income Trust			3.9
Putnam US Govt Guaranteed Secs			9.9
*Scudder Income Fund	B	C	8.3
Security Income-Corporate Bond	C	A	6.5
Sentinel Bond Fund	C	C	7.1
Shearson High Yield	D	A	–11.8
Shearson Income-Mortgage			9.2
Shearson Invest-Govt Secs			7.0
*State Mutual Securities Trust	C	B	4.4
*SteinRoe Intermed Bond	B	D	7.1
Transamerica Govt Securities			9.2
*Transamerica Income Shares	A+	D	7.8
Transamerica Inv Quality Bond	B	D	7.8
*20th Century US Governments	D	A	8.3
United Bond Fund	A	D	4.2
United High Income Fund	D	B	–14.7
US Government Secs			9.8
*USAA Mutual-Income Fund	A	C	6.6
*USLife Income Fund	B	C	4.0
*Value Line US Government Secs	B	C	10.3
Van Kampen Merritt US Govt			9.6
*Vanguard Fixed Inc-US Treas			5.7
*Vanguard Fixed Income-GNMA	B	C	10.3
*Vanguard Fixed Income-High Yld	D	B	–6.0
*Vanguard Fixed Income-Inv Gr	B	C	6.1
*Vanguard Fixed Income-S-T	C	A	9.2
*Vanguard Preferred Stock Fund	A	C	6.4
Venture Income (+) Plus	F	A+	–15.8
*Vestaur Securities	A+	D	6.9

*Fund has no load or shareholder-paid 12b-1 plan.

Municipal Bond Funds

Tax-exempt funds are rated here if they have five years of performance history and $500 million of assets (or, for single-state funds, $100 million). Raw performances for New York and California funds were adjusted to compensate for their yield disadvantage in holding only local bonds. For more on the bond rating system, see page 110.

Fund	Performance in UP markets	Performance in DOWN markets	12-month total return
*AARP Insured T-F Inc-Genl Bond	B	D	6.3%
*Benham Calif Tax-Free-Intermed	D	A	7.0
*Benham Calif Tax-Free-L-T	B	D	6.7
California Tax-Exempt Bonds	D	A	7.3
Dean Witter Calif Tax-Free Inc	A	D	5.7
Dean Witter NY Tax-Free Income	B	D	4.0
Dean Witter Tax-Ex Secs	B	B	5.8
Delaware Group Tax-Free-USA	C	A	3.9
DMC Tax-Free Income Trust-Penn	C	B	4.6
*Dreyfus California Tax-Ex Bond	D	B	6.7
*Dreyfus Intermediate Tax-Ex Bond	D	A	6.7
*Dreyfus Massachusetts T-E Bond	D	C	6.1
*Dreyfus NY Tax-Exempt Bond	C	B	5.5
*Dreyfus Tax-Exempt Bond Fund	D	B	6.4
Eaton Vance California Munis	D	D	5.5
Eaton Vance High Yield Munis	D	C	3.5
*Fidelity Calif Tax-Free-High Yield	C	C	7.0
*Fidelity Mass Tax-Free-High Yield	D	B	7.4
*Fidelity NY Tax-Free-High Yield	C	B	5.1
*Fidelity NY Tax-Free-Insured	B	C	6.2
*Fidelity State T-F-Mich High Yield	C	C	5.1
*Fidelity State T-F-Minn High Yield	D	B	7.2
*Fidelity State T-F-Ohio High Yield	C	D	7.5
*Fidelity Tax-Free-Aggressive	D	A	7.4
*Fidelity Tax-Free-High Yield	B	B	8.4
*Fidelity Tax-Free-Municipal Bond	B	C	6.9
First Investors Insured Tax-Ex	D	A	6.0
First Investors NY Insured T-F	D	A	5.8
Flagship Tax-Ex-Michigan Triple	A	C	5.3
Flagship Tax-Ex-Ohio Double	B	C	6.2
Franklin Calif Insured T-F Inc	B	D	6.3
Franklin Federal Tax-Free Income	C	C	5.5
Franklin Insured Tax-Free Income	A	D	6.6
Franklin Mass Insured T-F Income	C	D	5.1
Franklin Mich Insured T-F Income	C	C	6.1
Franklin Minn Insured T-F Income	C	C	5.8
Franklin NY Tax-Free Income	C	B	4.7
Franklin Ohio Insured T-F Income	C	C	6.6
General NY Municipal Bond	D	A	6.7
Hawaiian Tax-Free Trust	D	A	5.9
IDS High Yield Tax-Exempt Fund	C	B	7.0
IDS Tax-Exempt Bond Fund	A	F	4.6
Kemper California Tax-Free Inc	B	B	6.7
Kemper Municipal Bond Fund	B	C	6.7
Keystone Tax-Exempt Trust	B	D	5.6
Lord Abbett Calif Tax-Free Inc	B	C	7.3%
Lord Abbett Tax-Free-New York	B	B	6.3
Merrill Lynch Calif Muni Bond	C	C	6.2
Merrill Lynch Muni-Hi Yield	C	B	5.9
Merrill Lynch Muni-Insured	B	C	7.1
MFS Managed High Yield Muni Bond	F	A	3.1
MFS Managed M-S Tax-Ex-Mass	D	B	6.5
MFS Managed M-S Tax-Ex-NC	C	B	6.3
MFS Managed M-S Tax-Ex-Virginia	D	B	6.8
MFS Managed Municipal Bond	A	C	6.3
New York Muni Fund	D	F	6.5
Nuveen Municipal Bond Fund	C	B	6.3
Pacific Horizon-Calif T-E Bond	D	B	6.3
PaineWebber Calif T-E Income	C	B	5.8
*T Rowe Price Tax-Free Income Fund	B	D	5.9
Pru-Bache Calif Municipal	C	D	5.7
Pru-Bache Muni-New York	B	D	4.6
Pru-Bache Natl Municipals	B	D	8.7
Putnam Calif Tax-Exempt Income	C	B	6.9
Putnam New York Tax-Exempt Inc	A	C	3.9
Putnam Tax-Exempt Income	A+	D	4.9
Putnam Tax-Free Income-Hi Yld	D	A	3.8
*Scudder Calif Tax-Free Fund	B	C	6.4
*Scudder Managed Muni Bonds	A-	D	6.8
*Scudder NY Tax-Free	C	C	4.3
Seligman Tax-Exempt-Mass	B	D	5.4
Seligman Tax-Exempt-Michigan	A	D	5.9
Seligman Tax-Exempt-Minnesota	B	C	6.5
Seligman Tax-Exempt-Ohio	A	D	6.6
Shearson Calif Municipals	C	B	6.8
Shearson Income-Tax-Ex Income	C	B	5.0
Shearson Managed Municipals	C	C	5.2
Shearson NY Municipals	C	B	5.3
*SteinRoe Managed Municipals	A	D	7.0
Tax-Ex Bond Fund of America	B	C	6.2
United Municipal Bond Fund	A+	F	5.6
*USAA Tax-Exempt-High Yield	B	C	6.5
*USAA Tax-Exempt-Intermediate	D	A	6.7
Van Kampen Merritt Ins T-F	B	C	7.1
*Vanguard Muni Bond-High Yield	A+	D	5.9
*Vanguard Muni Bond-Ins L-T	A	D	7.0
*Vanguard Muni Bond-Intermed	C	B	7.2
*Vanguard Muni Bond-Long-Term	A+	D	6.8
*Vanguard Muni Bond-S-T	F	A+	6.6
Voyageur Minnesota Tax-Free	D	A+	7.0

*Fund has no load or shareholder-paid 12b-1 plan.

The Forbes Wall Street Review

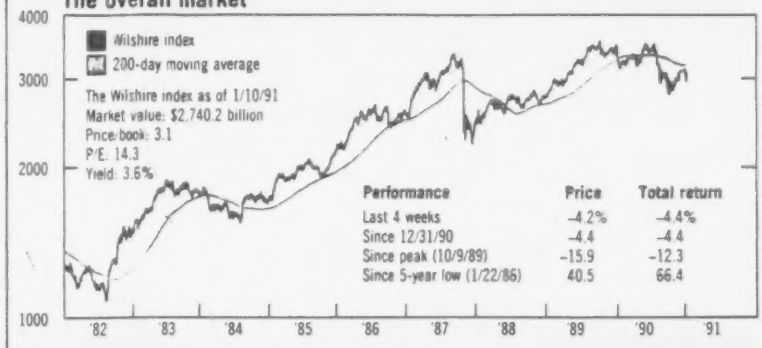
By Eric S. Hardy

Wall Street got off to a terrible start in 1991, with a 135-point drop in the Dow industrials during the first two weeks. Fans of technical analysis have further reason to be depressed: The market is exhibiting lackluster trading volume, and many fewer stocks are hitting new highs than are hitting new lows. One good reason for the jitteriness is uncertainty about resolution of the Persian Gulf mess; another, of course, is the recession that may already be under way.

The cancelation of the A-12 naval bomber program was a setback for McDonnell Douglas and General Dynamics, the two prime contractors. But Prudential-Bache analyst Paul Nisbet, taking a contrarian view, says the worst is probably over for some defense stocks. He sees buying opportunities in high-quality, diversified defense contractors like Boeing, Martin Marietta and Raytheon. "Even if there's no trouble in the Middle East and/or the defense budget is cut further, it's not like these companies are going out of business," says Nisbet. At 45⅛, Boeing sells at 9 times projected earnings for 1991; Raytheon trades at 67¾ for an estimated price-to-earnings multiple of 8.

Although Northrop derives 89% of its revenues from the federal government, Nisbet also rates it a buy on fundamentals. At a recent 17, Northrop trades at 80% of book value and offers a 7% yield.

The overall market[1]



The Best Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Navistar International	2⅞	44%	NM	7,627	1.4
Comdisco	21⅛	19	10	1,137	2.1
Xerox	39¾	15	7	5,326	1.6
Teledyne	16⅛	14	9	1,275	1.2
Gulf States Utilities	11½	14	NM	1,572	0.8

The Worst Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
McDonnell Douglas	27¼	-31%	4	5,412	2.5
United States Cellular	15⅛	-22	NM	49	0.6
Enron Oil & Gas	17⅛	-22	46	410	1.4
First Interstate Bancorp	20½	-18	NM	2,046	0.6
First Fidelity Bancorp	14¾	-17	NM	809	0.8

Closeup on the Market

Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	2,963.7	-3.9%
Wilshire index 6,000 stocks, equal weighted	16.9	1.2
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,498.8	-4.8
S&P 500 Capitalization weighted cross section, major stocks	314.5	-4.2
NYSE Capitalization weighted, all listed common stocks	172.4	-3.9
Amex Capitalization weighted total return: stocks, warrants	299.0	-1.5
Nasdaq Capitalization weighted, all issues except warrants	361.9	-2.5
Amex international market index Capitalization weighted, 50 large ADRs	284.2	-1.7

Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	769.90	-1.6%
Institutional[5] Approximately 200 stocks with high institutional ownership	9.57	-3.8
Individual[5] Approximately 200 stocks with low institutional ownership	79.84	-1.7
Russell 2000 index 2000 stocks with small market values, capitalization weighted	127.56	-2.3
Gold[6] (composite quote of 6 major dealers)	$390.40	1.4
Yen[6] (per $U.S.)	134.20	-1.6
Commodity index[6] (CRB futures index, 1967 = 100)	220.60	-0.3
Oil[6] (W Texas Intermediate)	$27.70	3.7
T bills[6] (90 days)	6.22%	-25 basis points[7]
Broker loan rate[6]	9.00%	-25 basis points[7]

Note: All data for periods ending 1/10/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 1/11/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

New Issues Review

By Robert Balancia

The biggest[1]

Company/business	Exchange	Offer date	Offer price	Recent price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Am Waste Svcs/waste mgmt svcs	N	10/4/90	10	12 ¼	$48	Goldman Sachs	23%	116
Neozyme/pharmaceuticals	O	10/26/90	23	28 ¼	46	PaineWebber	23	113
In Focus Systems/electronics	O	12/20/90	9½	11	24	Bear Stearns	16	116
Health Risk Mgmt/consulting svcs	O	12/19/90	11	14	15	Wessels Arnold	27	127
Northrim Bank/bank holding co	O	11/5/90	8	8 ¼	9	Wedbush Noble Cooke	3	98
Universal Intl/wholesaling	O	10/12/90	5	5 ¼	5	Craig-Hallum	5	95
Car Mart/consumer finance	O	12/11/90	3	2 ⅜	4	DH Blair	–10	89
Air-Cure Environmental/filtration prods	O	12/14/90	5⅛	5 ½	4	Rosenkrantz Lyons	8	107
Pamet Systems/computer networks	O	11/1/90	5	6	4	AS Goldmen	20	112
Everest Medical/medical svcs	O	12/6/90	3¾	4 ¼	4	Miller Johnson	13	113

Performance Update

The new-issues market was miserable in 1990. According to Securities Data Co. of Newark, N.J., initial public offerings (excluding ADRs, closed-end funds and limited partnerships) dropped from $4.9 billion in 1989 to slightly less than $4 billion. This is the worst showing since 1984, when $2.7 billion was raised. "The market is very emotional, and the Persian Gulf crisis has had a chilling effect on new-issue and equity filings," says Thomas Piper, a managing director at Dillon, Read. The backlog of new issues in registration—a good indicator of what's ahead—is an unimpressive $2.3 billion.

During the third quarter of 1990, the tenth-largest new issue had an offering value of $41 million. Last quarter Everest Medical, a $4 million offering, was the tenth-largest IPO. In the fourth quarter there were only five new deals over $5 million in size. That's why we had to drop our minimum cutoff for tracking IPOs from $5 million to $3 million.

For the year, energy remained the most active sector of the weak IPO market. Despite the invasion of Kuwait, there weren't any energy-related issues going public in the final quarter. But in the first three quarters the oil and gas industry raised a total of $739 million, enough to put it in first place for the year.

The best[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Health Risk Mgmt/consulting svcs	11	$14	Wessels Arnold	27%	127
Neozyme/pharmaceuticals	23	46	PaineWebber	23	113
Am Waste Svcs/waste mgmt svcs	10	48	Goldman Sachs	23	116
Pamet Sys/computer networks	5	4	AS Goldmen	20	112
In Focus Sys/electronics	9½	24	Bear Stearns	16	116

The worst[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Car Mart/consumer finance	3	$4	DH Blair	–10%	89
Digital Biometrics/computer prods	3	4	RJ Steichen	0	99
Northrim Bank/bank holding co	8	9	Wedbush Noble	–3	98
Universal Intl/wholesaling	5	5	Craig-Hallum	5	95
Express Cash Intl/pawn shops	6	4	Commonwealth Assoc	6	106

The most active investment bankers[3]

Underwriter	Total offerings	Total raised ($mil)
Goldman Sachs	8	$992
Alex Brown & Sons	16	433
First Boston	4	283
PaineWebber	10	274
Morgan Stanley	7	241

Industries going public[3]

Industry	Total offerings	Total raised ($mil)
Oil & gas svcs	13	$739
Magazine publishing	1	420
Computer systems	10	326
Electronics	10	262
Insurance	4	219

Notes: Initial public offerings of common equities with offer date of 9/30/90 to 12/31/90, offering price of $2.50 or more and offering value of $3 million or more. Closed-end funds, limited partnerships, and ADRs (American Depositary Receipts) of corporations already traded in foreign countries are excluded, as are REITs and spinoffs. [1]Last quarter. [2]The ending value of $100 invested in the stock, divided by the ending value of $1 invested in the market. [3]Latest 12 months. Source: Securities Data Co.

The current stock market looks a lot like 1970-73. Now, as then, huge opportunities are in the making.

A TWO-TIER MARKET

By David Dreman

The stock market in 1990 was like a wide-open football game: First the bears, then the bulls piled up big scores, only to see the game end as a squeaker, with the S&P 500 down fractionally. However, the major gyrations in the S&P masked a critical underlying trend that could provide some major opportunities ahead.

The most important feature of the 1990 market was its two-tier nature: The S&P (and the DJI) performed far better than other stock indexes, as the table here indicates. Last year the Value Line (which equally weights 1,700 companies) was down 24.3%, or almost four times as much as the S&P 500, while the Russell 2000 (small caps) declined 21.5% and Nasdaq (over-the-counter) dropped 17.8% (not adjusted for dividends).

But the disparity does not stop here. Even within the S&P 500 the discrepancy between the largest- and smallest-cap stocks was enormous. The 100 largest companies, which represent over 60% of the index' value, were down only 2.6%, compared with 20% for the 100 smallest caps. The lower the market cap, the worse the performance within the index. The table clearly shows that in both 1989 and 1990 most stocks substantially underperformed the S&P 500, which is dominated by the 100 largest caps. For the two years, for example, the 100 largest stocks in the S&P outperformed the Value Line by an astounding 55%.

Even within the S&P's 100 largest market caps, there was a tremendous difference in returns between the highest- and lowest-P/E groups. The highest 20% of P/Es in the largest-cap group returned 62% for the two-year period, compared with only 11% for the lowest-P/E stocks.

The new two-tier market

Large-cap stocks blew out their small-cap brethren within and outside the S&P 500 in the past two years. But the enormous differential in performance forbodes a change not far off.

Index	1989	1990	2-year compound return	9/1/87 to 12/31/90 return
S&P 500*	27.3%	–6.6%	18.9%	0.1%
S&P 100 largest caps*[1]	33.2	–2.6	29.7	6.0
S&P 400*[2]	25.6	–13.0	9.3	–6.8
Value Line*	11.2	–24.3	–15.8	–31.5
Russell 2000*	14.2	–21.5	–10.3	–23.7
Nasdaq*	19.3	–17.8	– 2.0	–17.8

*Not dividend-adjusted. [1]100 largest caps in S&P 500 equally weighted. [2]Other 400 companies in S&P 500 equally weighted.

We have not had a two-tier market like this since 1970-73. While thousands of stocks are down sharply in the past two years and off even more from their 1987 highs, a handful of large-cap stocks that investors believe to be almost immune to economic conditions continue to flourish. Then, as now, lots of people think this small group of supposedly sacrosanct companies will be able to provide higher earnings annually almost to the hereafter. But 1973-74 is a clear warning of what will happen to the new Nifty Fifty if they falter either because of earnings disappointments or because investor preferences change. When the market disintegrated in the early 1970s, the top tier dropped almost 90% and lagged for years.

While the current excesses are not as pronounced in the top tier as they were in the early 1970s, they are almost as harsh on the out-of-favor groups. Companies that are small or medium-size or whose near-term earnings prospects are disappointing are relegated to the darkest corners of the bargain basement. The disparity between the loved and unloved is near its widest spread in almost two decades.

History has shown that severe valuation extremes do not last long. The likely course, since most stocks are reasonably priced, even discounting a fairly severe recession, is to see a major improvement in the relative performance of small caps, cyclicals and other groups badly out of favor. Just as these groups have lagged dramatically for a considerable period, there is a good chance they will outstrip the top-tier group, as investors begin to focus on higher company earnings beyond the recession.

Here are five low-P/E small-cap stocks that look undervalued:

Blair Corp. (36) trades at a P/E of 9, yielding 6.1%.

Collective Bancorp (7) trades at a near 50% discount to book, a P/E of 5 and yields 3.4%.

Foote, Cone & Belding (19) has a P/E of 10 and yields 6.1%.

Garan Inc. (25) trades at a P/E of 6, yielding 5%.

Gibson Greetings (24) trades at a P/E of 9, yielding 1.4%. ■

David Dreman is managing director of Dreman Value Management, L.P., Investment Counsel, New York, and author of The New Contrarian Investment Strategy.

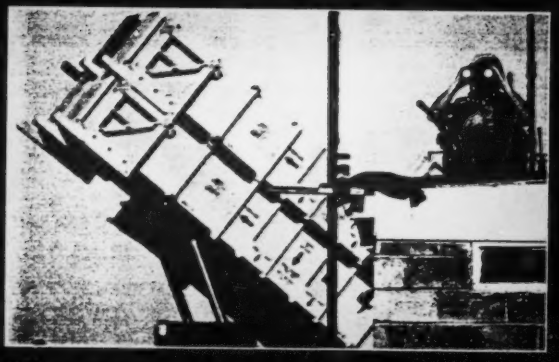
Williams-Sonoma bucks the trend

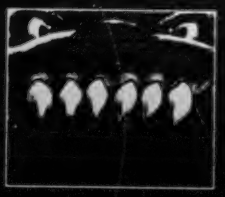
Will the war revive inflation?

How PepsiCo conquered Mexico

Forbes

THE ASBESTOS MONSTER





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How successes and failures in the early stages of the war have already reshaped U.S. defense policy and defense procurement. Who gains? Who loses?

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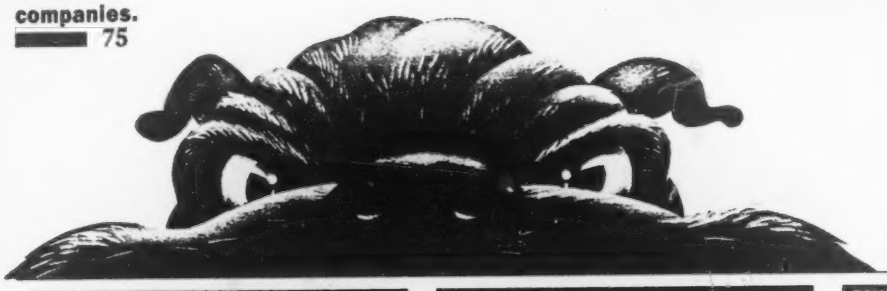

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Forbes

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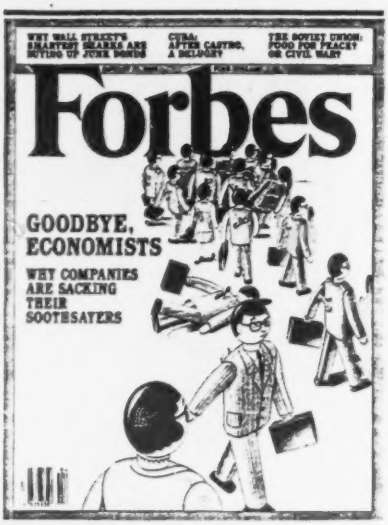


Economists get the ax

SIR: I am dismayed by the level to which professional economists have taken the fine study of economics ("Dreary days in the dismal science," *Jan. 21*). I blame the emphasis placed on macroeconomics in our universities and those politicians who wish to steer our national economy.
–EDWARD T. PERRY
Midlothian, Va.

SIR: Macroeconomic forecasts do not have to be accurate to the last decimal place in order for the business economist to alert his management to swings in their markets and to point them in the right direction.
–EDITH H. ONYAN
Fort Lee, N.J.

SIR: Businesses make decisions based on their best estimates of what will happen. Your article did not suggest a better method of navigating this environment. Economics combines the science of studying the past with the art of analyzing the present.
–SEYMOUR BARCUN
Chairman, Management Department
St. Francis College
New York, N.Y.

Risky business

SIR: Re your Fact and Comment on the failure to reform deposit insurance. *(Dec. 10, 1990.)* Back in 1984 Peter Grace gave the federal government 2,478 ways to save taxpayers hundreds of billions of dollars in waste. One recommendation was to charge savings and loans varying premiums based on their level of risk, just like business does.
–FREDERICK E. BONA
Vice President
W.R. Grace & Co.
New York, N.Y.

Tapped out

SIR: "Tapping your IRA nest egg early" *(Dec. 10, 1990)* is timely in reporting a relatively unknown yet significant development in retirement plans. There is, however, one major error: If you begin tapping your IRA at age 50, you cannot cease at 55 without incurring the 10% premature distribution penalty. You must continue until the later of age 59½ or 5 years.
–THOMAS B. WHEELER
Wheeler Associates
Duluth, Minn.

Healthy return

SIR: In a table in your Annual Report On American Industry *(Jan. 7)* you show a deficit return on capital for RPM for the most recent 12 months. This is incorrect.
–FRANK C. SULLIVAN
RPM Inc.
Medina, Ohio

Return on capital should have been 13%.—ED.

Edsel Ford, left

SIR: In your Feb. 4 Flashbacks, that's Edsel Ford on the left, not Kermit Roosevelt.
–JONATHAN AMES
Detroit, Mich.

Mr. Ames is correct. The photographs were inadvertently transposed.—ED.

Well balanced

SIR: Re Chubb Corp.'s international expansion ("Insuring success abroad," *Jan. 7*). AIG, the leading U.S. international insurer, has an outstandingly successful overseas life business, which you do note. But you fail to point out that AIG also has a strong nonlife business overseas. AIG's strength overseas is well balanced between life and nonlife operations.
–MAURICE R. GREENBERG
Chairman
American International Group, Inc.
New York, N.Y.

Japan bashing

SIR: Re Fact and Comment *(Dec. 24, 1990)*. The Japanese may not be the biggest foreign buyers of our businesses, but they are the biggest sellers of TVs, autos, etc. that U.S. businesses are unable to produce. When we build a better mousetrap, we won't have to bash Japan for being more productive.
–ELNA R. SCHWELLENBACH
Cottonwood, Ariz.

SIR: We perceive the Japanese take advantage of the relatively free access to other markets while keeping theirs relatively closed. Were the Japanese perceived to be fair in allowing access to their markets, Japan-bashing would drop precipitously.
–ERNEST S. NOUNOU
New York, N.Y.

Nature/nurture

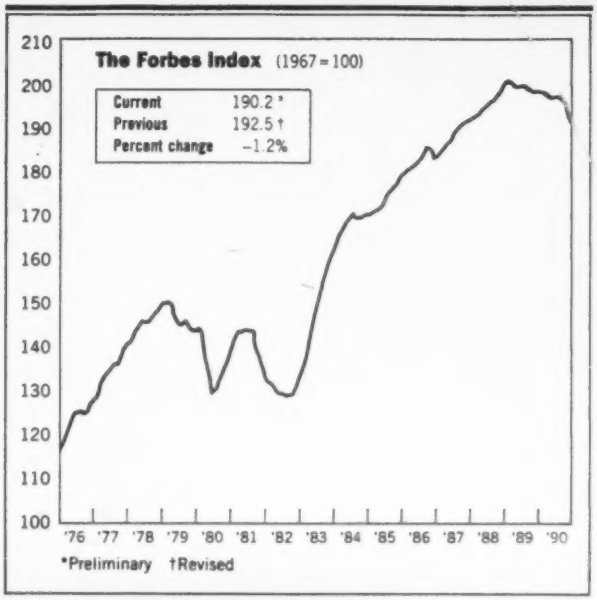
SIR: To suggest that character alone explains why the great majority of our citizens is above the poverty line is naive (Michael Novak, *Jan. 7*). Personal character is not available by prescription: Like any seed it needs a decent environment in which to develop. Otherwise it rots.
–PARKER W. SILZER
New York, N.Y.

My generation

SIR: Re Michael Novak's column *(Dec. 24, 1990)* and Dr. Thomas J. DiLorenzo's letter *(Jan. 21)*. There is no concern to be worried about our young. Years ago, when I lived in Germany, there was a saying: "If you are young and not a socialist, you have no heart. But if you are a socialist when you are old, you have no brains." All God's children will grow up. Some parents may die waiting, but eventually. . . .
–KURT J. ALTSCHUL
Bronx, N.Y.

THE FORBES INDEX

BY TIMOTHY DODMAN



With a 6.1% gain in 1990, the overall Consumer Price Index rose faster than in any year since 1981. Prices were climbing even before the invasion of Kuwait sparked the sharp runup in the price of oil. The Consumer Price Index rose 3% in both halves of 1990. Rising labor costs were also a factor: The services component of the CPI gained 5.7% in 1990. Only 58,000 new housing starts were made in December 1990, the lowest figure since February 1982. New unemployment claims jumped to 467,000 in December, the highest since April 1983.

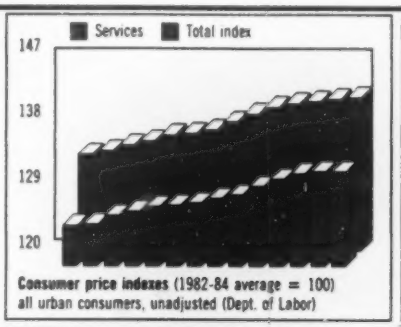
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	9.5%
Auto sales year to date vs. 1990[1]	Ward's Automotive	-34.2%
Index of leading indicators November vs. October	Dept of Commerce	-1.2%
Trade balance 12 months ended November1990	Dept of Commerce	-$102 bil
All-commodity producer price index Dec vs. 1989[2]	Dept of Labor	-0.1%
GNP:4th quarter vs. 3rd—annualized growth	Dept of Commerce	-2.1%
NBER Experimental Recession Probability Index[3]	Nat'l Bureau of Economic Research	14.0%

[1] U.S.-based manufacturers, excludes imports, as of 1/20/91. [2] Wholesale goods. [3] November 1990.

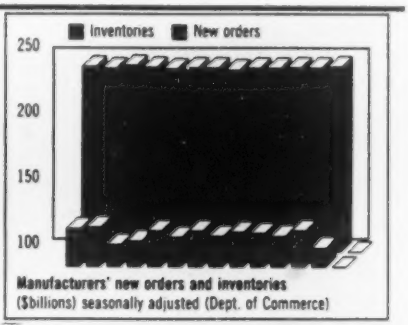
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

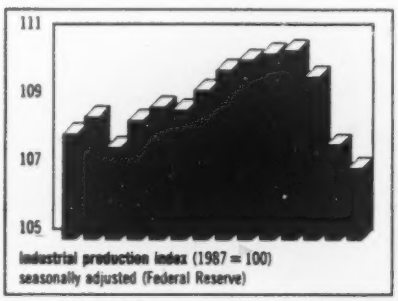
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)



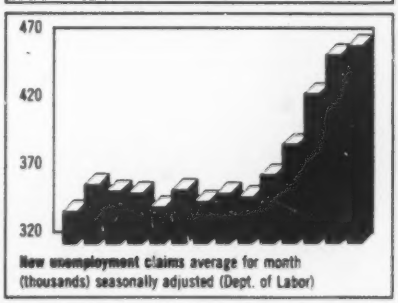
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



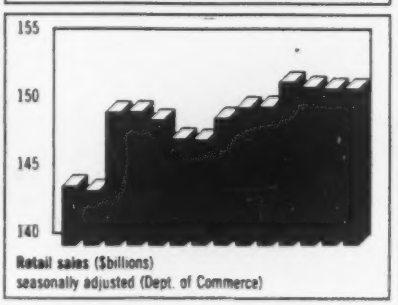
Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Having driven most of our asbestos companies into bankruptcies, litigators are going after any business that has had anything to do with asbestos.

By Suzanne L. Oliver and Leslie Spencer

In Des Moines, Iowa Judge James Brown recently upheld a $506,000 asbestos injury award for Joseph Beeman. Beeman wasn't in court to hear the good news: He was too busy working as a plumber to attend more than two days of the three-week trial.

Nor did it matter that Beeman, who had fitted asbestos insulated pipes, suffered no clear ill effects from asbestos. His attorneys sought compensation for his "mental anguish and fear concerning his increased risk of cancer." Fellow plumber James Eaton made the same claim in Judge Brown's court. Happily retired and wintering in Arizona, he sued 42 manufacturers, including Armstrong World Industries, Combustion Engineering and Union Carbide. Eaton lost his case before the jury. Even so, he collected an estimated $20,000 from defendants who settled with Eaton before the trial.

If that seems stretching the law, consider this:

In Los Angeles last December, a jury awarded retired tire worker Simon Redditt $155,000. This 75-year-old lifetime smoker walks 5 miles a day. He claimed past asbestos exposure caused him, among other things, shortness of breath.

These cases and 90,000 more like them go far beyond the 25,000 cases pending against asbestos manufacturers such as Johns-Manville and Raymark Industries by plaintiffs with asbestos-related lung cancers and asbestosis. Our populist-leaning courts are turning the asbestos issue into a giant lottery in which almost anyone can win and the consumers of America must ultimately pay.

Who's caught in this morass? The list is long (*see p. 77*). Armstrong World Industries has 60,000 claims pending against it alleging asbestos-related disease from exposure to its asbestos-containing felts, adhesives and floor tile. The cost of settling those could reach $400 million. Armstrong had less than a 5% share of the asbestos product market.

B.F. Goodrich is also on the hook for floor tile that plaintiffs allege released dangerous amounts of asbestos when it was cut for installation or removal. There are 16,000 suits against A.P. Green Industries for refractory products that usually contained just 1% asbestos—an immaterial amount, unless you're a personal injury lawyer. Foster Wheeler, too, is a defendant in 14,000 asbestos-related suits claiming injury from cements and block insulation that contained just 3% asbestos.

Right now there are 115,000 claimants in asbestos cases working their way through U.S. courts. Just 5,000—a bit over 4%—suffer from mesothelioma, the deadly cancer almost always caused by asbestos. Many of these unfortunate victims die before they collect their awards because the courts are so clogged with meritless claims.

Dr. Irving J. Selikoff's seminal 1965 study of asbestos insulation workers established a firm link between asbestos exposure and lung disease. Further investigation has established definitively that asbestos fibers can cause mesothelioma, the rare and fatal cancer that attacks the pleura, or membrane encasing the lungs. The fiber can also cause asbestosis, a buildup of scar tissue inside the lung that impedes lung function. The lung scarring typical of asbestosis has 100 other causes, including many viruses.

Asbestos may also cause scarring on the pleura either in diffuse thickening or in spots, called pleural plaques. Mainstream science has established that this scarring does not affect lung function, nor does it develop into lung cancer. Federal district judge Spencer Williams calls pleural plaques "freckles on the lungs." The case against asbestos is weakened by the fact that it is not the only cause of pleural scarring. Other causes include tuberculosis and broken ribs.

Just checking **In a process duplicated across the country, trial attorneys and unions have hired vans like this one, equipped with X-ray and breathing test machinery, to screen factory workers for traces of asbestos-related disease.**

Nor, of course, is asbestos the only or even the main cause of lung cancer. A nonsmoking asbestos worker is 7 times more likely to develop lung cancer than is the general population, while a smoker not exposed to asbestos is 11 times more likely. Together, smoking and asbestos exposure are lethal. The risk of dying of lung cancer increases by a factor of 61 when the two are combined.

Research has also demonstrated that not all asbestos fibers are equally dangerous. The most deadly is amphibole asbestos, used primarily in Navy ships in World War II. Chrysotile asbestos, used in 95% of U.S. asbestos products, is relatively benign (FORBES, *Jan. 8, 1990*).

Astonishingly, between 65% and 80% of the claimants in asbestos suits currently pending in the legal system have symptomless pleural scarring, pulmonary maladies unrelated to asbestos or no lung disease whatsoever. Many of their claims have been prompted by lawyers' ads like the one on page 78. It is trial lawyers, their paid medical experts and sympathetic judges and juries who have turned asbestos litigation into a giant grab bag.

Consider the National Tire Workers Litigation Project. In 1986 two Los Angeles-based personal injury attorneys, Gordon Stemple and Richard Gerry, founded the organization. It was an interesting device for stimulating business for the lawyers.

Why tire workers? Stemple and Gerry learned that tire workers were sometimes exposed to asbestos in the talc used on tire molds. To build a large base of claims, the Tire Workers Project hired two former United Rubber Workers union presidents and paid them to persuade

Guilt by association

Hundreds of asbestos defendants, including GE, GTE and Eaton, made relatively harmless products, such as gaskets and brake linings. Others, including Crown Cork & Seal and McDermott International, never made an asbestos product but bought assets from a corporation that did. Today they are spending millions defending 115,000 pending asbestos personal injury claims. Already 15 companies have been bankrupted. The companies in the chart are some of the defendants left picking up the tab. For some, an average case cost of $5,000 would do serious damage to their net worth.

Company	Net worth ($bil)	Offending products include	Estimated cases pending
Allied Signal	$3.4	brake linings	15,000
Armstrong World Industries	1.0	cements, sealers, floor tile	60,000
Crown Cork & Seal	0.8	insulation	2,000
Dana Corp	1.0	packing, friction materials	75,000*
Dresser Industries	1.6	textiles, refractory materials	15,000
Fibreboard	0.1	cements, pipe covering	72,000
Foster Wheeler	0.5	boiler insulation	14,000
WR Grace	1.7	coatings	18,000
AP Green Industries	0.1	fire bricks, pipe covering	16,000
Keene Corp	0.1	plasters, cloth, pipe covering	76,000
Owens-Corning Fiberglas	–0.4	cements, textiles, pipe covering	82,000
Pfizer Inc.	4.5	coatings	14,000
Union Carbide	2.4	raw asbestos, sealer board	75,000*
US Gypsum	–1.4	spray coatings, plasters, paint	34,000
Westinghouse Electric	4.4	circuit breakers	3,000

*Member of Center for Claims Resolution, a group of 20 asbestos defendants who share litigation costs. The Center has 75,000 claims pending against its members, though each member isn't named in every suit.

Sources: Owens-Corning Fiberglas Asbestos Litigation Reference Series; Center for Claims Resolution; Forbes estimates.

local Rubber Workers union officials around the country to set up health screenings for their members. Who footed the bill? Stemple and Gerry paid the costs of the screenings.

After a slide presentation graphically depicting the horrors of severe asbestos-related disease, the union members were ushered into the law firm's mobile examining room for X rays and breathing tests.

The lawyers' tests were performed by three doctors who didn't hesitate to find asbestos problems. One of them, Krishan Bharadwaja, wasn't licensed to practice in the U.S. The doctors' tests turned up evidence of asbestosis and pleural thickening in 65% of the thousands of workers screened. Compare this with a 1987 study by the National Institute for Occupational Safety & Health that found evidence of asbestosis in only 0.2% of tire workers and symptomless pleural changes in an additional 2.3%. Nevertheless, Stemple and Gerry brought suits in 12 states on behalf of 8,000 tire workers.

Raymark, a former maker of asbestos-containing tire parts, had already agreed to a mass settlement of 6,000 of Stemple's and Gerry's claims when it discovered the enormous disparity between the lawyers' screening and the government test. In a May 1990 opinion, Kansas district judge Patrick F. Kelly called Stemple and Gerry's litigation project a "professional farce. . . . The process makes a mockery of the practices of law and medicine."

After Judge Kelly's remonstrations, Gerry withdrew all but 6 of the 350 tire worker claims

Glenn Bailey of Keene Corp. **His company is named as a defendant in virtually all asbestos injury cases. Down to his last $100 million of insurance, he has chosen to fight rather than settle.**

he had filed in California against Pfizer and other former makers of asbestos-containing talc and insulation. Both Stemple and Gerry still have their hands in. They referred claims to other attorneys across the country, and will likely get a cut of any settlement they negotiate.

More personal injury lawyers adopted Stemple and Gerry's mass-screening technique. There were only about 20 asbestos cases pending in Bucks County, Pa. until 1988. Then the unions and the law firm of Timby & Dillon started screening steelworkers. Now there are over a thousand claims pending, filed by the law firms of Norman Perlberger, Lawrence Cohan and Timby & Dillon. Many of the claims are dubious. Cohan, for instance, filed suits on behalf of six men who had died of heart failure, kidney disease and other causes totally unrelated to asbestos.

For the granddaddy of asbestos cases, look at the mega class action, Cimino v. Raymark et al., being fought out in federal judge Robert Parker's courtroom in Beaumont, Tex. *(see box, p. 78)*. Beaumont plaintiff lawyers Walter Umphrey and Wayne Reaud created a class of 2,300 oil refinery workers and their families. They were selected from thousands of workers screened at Dr. Gary Friedman's Texas Lung Institute in Beaumont. Among the 2,300, Friedman diagnosed 32 cases of mesothelioma, 1,047 cases of asbestosis, 186 lung cancers, 57 other cancers and 972 cases of pleural thickening.

Yet refinery workers wouldn't seem to be a very likely group of asbestos claimants. Doctors

who reexamined some of the plaintiffs for the defense say that more than 50% of those reexamined showed no sign of asbestos exposure. Moreover, a 1989 study of refinery workers published in the *American Journal of Industrial Medicine* showed that refinery workers have a lower incidence of cancer than the general population does.

Why might Dr. Friedman's results differ so much from those of the *American Journal of Industrial Medicine*? Friedman owns the Texas Lung Institute, which is almost solely devoted to screening workers referred by plaintiffs' attorneys and unions. It has earned at least $4 million in revenues since 1984. As an expert witness for the plaintiff, Friedman himself earns an additional $3,500 a day when he testifies.

Contradictory medical evidence notwithstanding, the 2,300 plaintiffs in Cimino have already collected an estimated $62,000 each from defending companies that have opted to settle out of the suit. The jury awards against companies that went to court rather than settle start at $540,000; these will be appealed. The firms of lawyers Umphrey and Reaud have together already collected over $57 million in contingency fees from pretrial settlements and would, on paper, be entitled to another $430 million from this case if it is fully upheld on appeal.

Lawyerly greed? Maybe, but there's a larger issue at stake here. The lawyers, good business people, are simply pursuing their own interests in an era when the tort system's rules for assigning blame and assessing fair compensation have become dangerously vague.

Consider this case: A man spent from 1941 to 1945 surrounded by potent spray-on asbestos insulation while constructing U.S. Navy warships. The insulation material used the deadly and rarely processed amphibole asbestos. Later on, the man worked as a mechanic at a USX steel plant and came into occasional contact with asbestos-containing tractor and crane parts made by subsidiaries of General Electric, GTE and Eaton. The parts contained the not-so-dangerous chrysotile asbestos fibers.

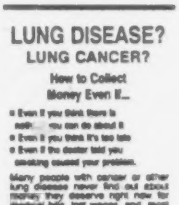
Late in life, the mechanic developed mesothelioma, from which he died. Was the cause of his death the spray-on amphibole asbestos in the Navy shipyards? In all likelihood, yes. But in November 1990 a Pennsylvania jury decided that the parts made by GE, GTE and Eaton were the primary cause of the mechanic's death. Along with three settling defendants, they were told to pay the mechanic's widow $189,500.

Companies like Allied-Signal, GTE, GE and Eaton used asbestos as insulation in brake linings, circuit breakers and parts for industrial machinery. According to epidemiologist Dr. Robert N. Sawyer, "You can't get asbestos dust out of most of those products." But for many judges and juries, such fine distinctions are irrelevant. They see deep pockets and go for them.

Tilted scales

Doug Mahr

Federal judge Robert Parker



LUNG DISEASE?
LUNG CANCER?
How to Collect
Money Even If...

- Even if you think there is nothing you can do about it
- Even if you think it's too late
- Even if the doctor told you smoking caused your problem.

Many people with cancer or other lung disease never find out about money they deserve right now for medical bills, lost wages, and, most of all, for physical and emotional suffering. They don't realize that they are entitled to collect because they were exposed to deadly asbestos dust at work or even in their own homes.

You may think that you were never exposed to asbestos. But thousands of people like you are collecting money for exposure they never knew about or had totally forgotten.

For free answers to your questions, over the phone or in the office call:

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Malden 324-1280,
Framingham 872-9828,
Lynn 596-7171,
Quincy 328-9336,
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Waltham 890-5706,

Sponsored by the Law Offices of
S. Guerpo Bronstein

Solicitation for asbestos claimants **How to collect even if your doctor said smoking caused your lung problems.**

Keene Corp. is regularly sued for the asbestos insulation once manufactured by a subsidiary. Four years after Keene bought the subsidiary for $8 million it stopped using asbestos in its insulation. Already Keene has spent $330 million disposing of 64,000 asbestos claims, and another 76,000 claims are pending. It's the theory of "successor liability" that puts Keene on the hook for the subsidiary's alleged sins committed before that subsidiary was acquired. Other defendants like New Orleans-based McDermott International bought companies long after they had quit making asbestos products. Crown Cork & Seal never made asbestos-containing products. It simply owned an asbestos insulation manufacturer for 82 days. Under the new tort theories, such defendants are facing huge claims in asbestos-related lawsuits. It's as if Jones buys Smith's house and then gets sued by someone who fell down the stairs years ago when the house still belonged to Smith.

Such is the expense of litigation in the U.S. today that most defendants settle regardless of the merits of the case against them. Yes, settling asbestos claims is expensive, too; the litigation

In Gulf town Beaumont, Tex. asbestos litigation is a growth industry. Federal judge Robert Parker oversees some 4,000 asbestos cases, representing about 5,000 claimants. Most plaintiffs do not suffer from anything that can be laid directly to asbestos exposure, according to defendants' experts.

The court has resolved very few cases since 1986, though settling defendants keep mailing checks to Beaumont. With his backlogged asbestos docket, Parker is trying to devise a "national solution" to the asbestos mess.

Parker's model solution is laid out in Cimino v. Raymark Industries et al., soon to be on appeal before the Fifth Circuit. In this enormous class action, some 2,300 oil refinery workers and their families allege that they suffer from ill effects of asbestos in the refineries' insulation, pipes and machinery.

From the group, Parker selected 160 "sample plaintiffs" representing the five types of alleged malady in the suit. These plaintiffs were sent to jury trials; their verdicts averaged within each disease category. Ranging from $540,000 to $1.2 million per claimant, these averages were then awarded to the entire class of 2,300. Total awards: $1.3 billion.

Parker's sample group was heavily weighted in favor of the plaintiffs. Even though only 1.4% of the whole plaintiff group had been diagnosed with mesothelioma, the most severe form of asbestos-related disease, fully 9% of Parker's sample group had mesothelioma. Moreover, when deciding damages, Parker didn't allow the jury to hear evidence about the 2,000-strong plaintiffs outside the sample group.

In January 1990 the U.S. Court of Appeals for the Fifth Circuit protested that many of Judge Parker's courtroom methods in Cimino denied defendants' right to a fair trial. Parker modified some procedures slightly, and went ahead.

One Beaumont lawyer who should hope Parker's methods are upheld on Cimino's next trip to the appeals court is Walter Umphrey, the judge's former hunting partner (and lead plaintiffs' attorney in Cimino). Since 1986 his firm has grossed $33 million in contingency fees from settlements in the Cimino case alone. Plaintiffs can settle with some defendants for cash while maintaining the case against other defendants. Thus, the lawyers keep their $33 million even if the appeals court throws out the jury verdicts.

In October Judge Parker approved a payout to Umphrey's clients in Cimino of $98 million from the Manville Trust. Of that, Umphrey's firm will likely keep a third.

Chief Justice William Rehnquist appointed Parker in September to a panel of six judges to advise on asbestos litigation solutions. If every current claimant in the country received even the smallest award in the Cimino case, the bill would come to over $62 billion. Not exactly a solution, but apparently fine with the judge.
–L.S. and S.L.O. ■

counsel of one defendant with 15,000 pending cases alleging asbestos exposure from its refractory products says that settling a claim for $500 can cost an additional $5,000 in legal expenses.

But fighting is even more expensive. The cost of going to trial can be at least $25,000 per defendant, before the costs of any award. And there is no telling what a jury will do.

Harry Nofts, for example, had worked as an insulator in a Firestone plant. At 73 he suffered from severe emphysema from a lifetime of smoking. Dr. Paul Wheeler, a radiologist at Johns Hopkins School of Medicine, says that Nofts had pleural plaques, but no other evidence of asbestos-related disease. A pulmonologist serving as expert witness for the defense told the jury that the heavy smoker's breathing trouble was caused by lung decay typical in emphysema patients.

The plaintiff's expert witness was Dr. Clara Gelbard, one of the three doctors who diagnosed the inordinately high rate of asbestos disease in the Tire Workers Litigation Project. Gelbard told the jury she saw asbestosis on Nofts' X ray, and blamed his shortness of breath in part on asbestosis. Judge Kurt Lewin forbade defense attorneys to tell the jury anything about Gelbard's work for the Tire Workers project. Nofts was awarded $200,000.

Pages from a lawyer's reference guide to asbestos products **Recognize a label from a product you used? Then you can sue.** ■

There is another incentive to settle: Punitive damages are now regularly awarded in cases of mere negligence. The threat of punitive damages has become a very powerful weapon used by the plaintiffs' lawyers to persuade companies to settle. Claims are typically settled for $90,000 to $105,000 each, with the sum usually split among as many as 40 defendants.

Asbestos litigation has cost defendants and their insurers about $7 billion so far, most of that going to lawyers and experts. Pending cases could cost another $20 billion, based on an average historical total cost of $170,000 per claim. But this total may be too low. The cases are still coming in—at a rate of 2,000 a month. Thus, the final tab could hit $50 billion or even $100 billion, according to Paul MacAvoy, dean of the University of Rochester's business school and an expert on the costs of asbestos-related disease. That's not counting the cost of removing asbestos from buildings, currently estimated at $100 billion.

Meanwhile, insurance coverage is running out. Eagle-Picher had only $8 million left and 65,000 cases pending against it when it went bankrupt. If Fibreboard loses its appeal claiming unlimited asbestos liability coverage from two of its insurers, it will probably go bankrupt.

Who is next on the litigation hit list? ■

THE FORBES WALL STREET REVIEW

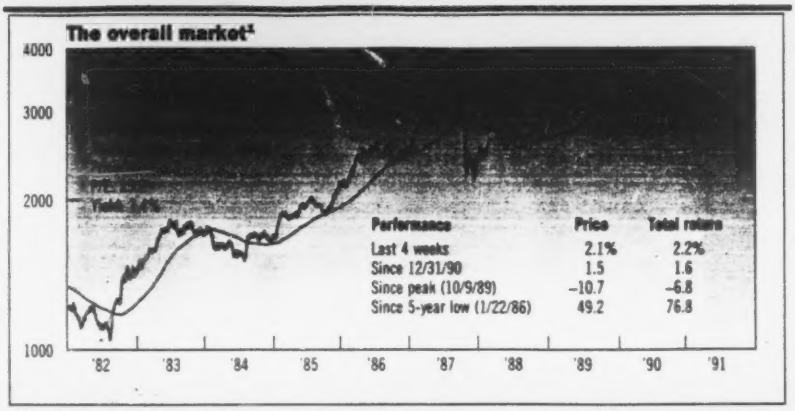
BY ERIC S. HARDY

The end of months of Persian Gulf uncertainty sparked a strong rally on Wall Street. The Dow industrials have gained more than 150 points since the fighting began in the Persian Gulf, and finished the two weeks ended Jan. 24 with a 5.8% gain. Smaller stocks finally got going, too. The Nasdaq index was up 8.1%.

For now, investors have shrugged off the recent cancelation of the A-12 Navy stealth bomber program, for which General Dynamics and McDonnell Douglas were the two primary contractors. The success of sea-launched cruise missiles, the F-16, and other armaments helped boost the price of General Dynamics stock more than 36% over the past two weeks, while McDonnell Douglas is up 21% over the same period.

First Interstate Bancorp rebounded from its poor showing early in January with a two-week gain of 35%. "The company posted its fourth consecutive quarter of positive earnings, and there are takeover rumors," explains Kidder, Peabody analyst Thaddeus Paluszek.

The war against Iraq has not helped gold and oil prices. Gold dropped nearly 5%, to $372 an ounce, while silver hit a 16-year low of $3.80 an ounce. West Texas intermediate crude oil sold for $28 a barrel on Jan. 10, then dropped below $20, and settled near $25.



The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel Vol[3]
[illegible]	[illegible]	36	38	4,405	[illegible]
First Interstate Bancorp	27¾	35	NM	2,719	0.8
Storage Technology	25½	34	13	2,820	1.6
National Health Labs	12⅞	34	16	3,318	1.2

The worst performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel Vol[3]
[illegible]	[illegible]	-19	NM	[illegible]	[illegible]
Pittston	14⅜	-18	41	3,358	2.4
Battle Mountain Gold	6⅜	-18	20	4,411	1.3
Corona	3⅜	-16	16	636	0.4

Closeup on the market

Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,147.0	6.2%
Wilshire index 6,000 stocks, equal weighted	17.4	4.5
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,643.1	5.8
S&P 500 Capitalization weighted cross section, major stocks	334.8	6.4
NYSE Capitalization weighted, all listed common stocks	182.6	5.9
Amex Capitalization weighted total return: stocks, warrants	306.7	2.6
Nasdaq Capitalization weighted, all issues except warrants	391.3	8.1
Amex international market index Capitalization weighted, 50 largest ADRs	289.1	1.7

Index or investment	Price	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	779.70	3.9%
Institutional[5] Approximately 200 stocks with high institutional ownership	101.60	8.5
Individual[5] Approximately 200 stocks with high institutional ownership	82.92	3.9
Russell 200 index 2000 small market value stocks, capitalization weighted	135.04	5.9
Gold[6] (composite quote of 6 major dealers)	$372.40	-4.6
Yen[6] (per $U.S.)	132.30	-1.4
Commodity index[6] (CRB futures index; 1967=100)	214.54	-2.7
Oil[6] (W Texas Intermediate)	$25.30	-8.7
T bills[6] (90 days)	6.11%	-11.0 basis points[7]
Broker loan rate[6]	9.00%	Unchanged

Note: All data for periods ending 1/24/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalization of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume during the preceding 3 months. [4]Morgan Stanley Capital international perspective. [5]For period ending 1/25/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

FORBES/TUCS INSTITUTIONAL PORTFOLIO

BY STEVE KICHEN

Who made the most money?

Investment	Value of $10,000 invested 12/31/80	Change last quarter
S&P 500	$36,552	9.0%
Shearson Lehman Govt & Corp	33,333	5.1
Wilshire index	32,695	8.7
Institutional balanced account[2]	31,995	6.2
Institutional fixed income account[2]	31,992	4.9
Institutional equity account[2]	31,435	8.6
Treasury index	22,932	2.0

Segment performance and cash flow

Segment	Most recent quarter: median total return	Most recent quarter: shift in institutional holdings
Equity	9.4%	-0.7%
Fixed income	5.0	-1.3
Cash equivalents	2.0	3.3
Convertibles	2.8	-0.1
Other[3]	1.3	0.2
Total	7.6	-1.2

Before the January war rally some pension fund managers were unusually bearish. George Wolfe, vice president of Wilshire Associates, says that 7% of the equity managers in his pension survey finished 1990 with more than half their holdings in cash. That is a record for the ten years that Wilshire has been collecting data on professional portfolio managers.

The bearishness hurt. In the last quarter of 1990, when stocks were up strongly, the median portfolio had a total return (including reinvested dividends) of 8.6%, against a 9% total return on the S&P 500. A hypothetical portfolio consisting only of the pros' stock picks but not diluted by cash holdings, would have climbed 9.4%.

What contributed to the good stock picking? "The managers were significantly overweighted in financial stocks, and finance stocks were one of the two best-performing sectors," says Wolfe. "Energy stocks have long been underweighted, and they were one of the worst groups."

But the year as a whole was tough for equity managers. The return on the median equity portfolio (including cash) was -4.5%, slightly worse than the loss of 3.2% for the S&P 500, but better than the loss of 6.2% for the much broader Wilshire index.

The pros seem to have made money in growth stocks and moved on. During the last two years, stocks with high price/earnings ratios (over 16) outperformed stocks with multiples under 10. But high-multiple stocks now make up only 16% of the institutional universe, down from 64% in 1986.

What the institutions bought and sold

Big stocks[4]

Stock bought	Total quarter return	P/E	Stock sold	Total quarter return	P/E
[illegible]	[illegible]	[illegible]	Crown Cork & Seal	0.9	15
[illegible]	22.3	15	First Chicago	-0.5	5
Citizens Utilities	9.2	12	Genentech	-9.1	NM
Clorox	12.6	14	Louisiana Land & Explor	-16.5	31
Manufacturers Hanover	0.0	5	Marion Merrell Dow	11.3	14
National Health Labs	-12.4	14	Martin Marietta	18.8	7
Penn Central	-6.2	12	Morgan Stanley Group	10.7	6
Potomac Electric Power	13.0	12	St Jude Medical	22.1	27
Rhone -Poulenc Rorer	16.3	NM	Sun Microsystems	-2.3	15
Safety-Kleen	17.9	27	TRW	4.1	10
UAL	13.2	11	Tyco Labs	-13.6	14
VF	20.4	8	US West NewVector	62.5	NM

Secondary stocks[5]

Stock bought	Total quarter return	P/E	Stock sold	Total quarter return	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	-37	NM
[illegible]	4.7	6	Home Fed	-36.1	NM
Chief Industries	-22.5	13	Integrated Systems	19.0	28
Hadson Energy Resources	3.8	16	Novellus Systems	-8.9	12
Health Images	43.6	28	Pioneer Financial Services	-36.7	3
Imagine Films Entertainment	28.1	20	Rally's	-20.0	11
Osmonics	37.0	18	Software Toolworks	-52.8	NM
Recognition Equipment	0.0	NM	Thermo Cardiosystems	7.8	NM
Smith Corona	23.3	7	Timberland	-19.0	3
Tekelec	22.2	12	UNC	-6.9	NM
Tetra Technologies	12.0	45	Waverly	6.8	19

[1]Total return. [2]Includes cash. [3]Real estate, foreign investments, venture capital, guaranteed income contracts. [4]Stocks with $1 billion or more in market capitalization at start of quarter. [5]Stocks with market capitalization between $40 million and $200 million at start of quarter. NM: Not meaningful.

Note: What the institutions bought and sold measures the change in the institutional holdings as a percentage of a stock's total capitalization, net of price changes. Data for quarter ending 12/31/90. Prepared by the Trust Universe Comparison Service (TUCS), a service of Wilshire Associates, Santa Monica, Calif.

Cash is a nice thing to have in a recession. You can pick up bargain assets being dumped by heavily leveraged companies.

Liquid assets

By Eric S. Hardy and Robert C. Balancia

John Sprat

IF YOU ARE only moderately bullish on stocks, you probably have half your money in cash. Here's another way to be moderately bullish: Put all your money in the stock market, but select the shares of companies that have excess cash equal to at least 45% of their market value.

Genesee Corp. is one of these. Officially, it's a brewing company (you can get Genesee beer in more than 20 states, including New York, Florida and California), but a more accurate description of the line of business would be "money market fund." Debt-free Genesee has $22 a share in cash—an amount equal to 75% of its share price.

Genesee Chairman J.L. Wehle, with family members, owns 61% of the voting stock. About five years ago Genesee diversified into the food business and now is looking for acquisition candidates. But Wehle believes in taking his time. Maybe the recession will bring him the bargains that he wants.

The table lists 15 small companies (under $250 million in revenues) that have net cash equal to at least 40% of market value. The "net cash" figure is cash less interest-bearing debt. We eliminated any firm in which earnings from continuing operations were off by more than 5% from the year-ago quarter. Firms with declining inventory turnover ratios—a clear sign that there may be trouble ahead—were also dropped. All of these stocks had positive earnings over the past 12 months, but they sell for no more than 17 times earnings. In short, these are all companies that not only have plenty of cash but are also unlikely to see that cash dwindle away in the near future. ■

Cash-rich small stocks

The cash and cash equivalents of these 15 companies are far in excess of their short-term and long-term debt. As of their most recent balance sheets, their net cash equaled at least 45% of their market value. The current ratio of each of these companies (current assets divided by current liabilities) is at least 2. No company had a P/E ratio higher than 17.

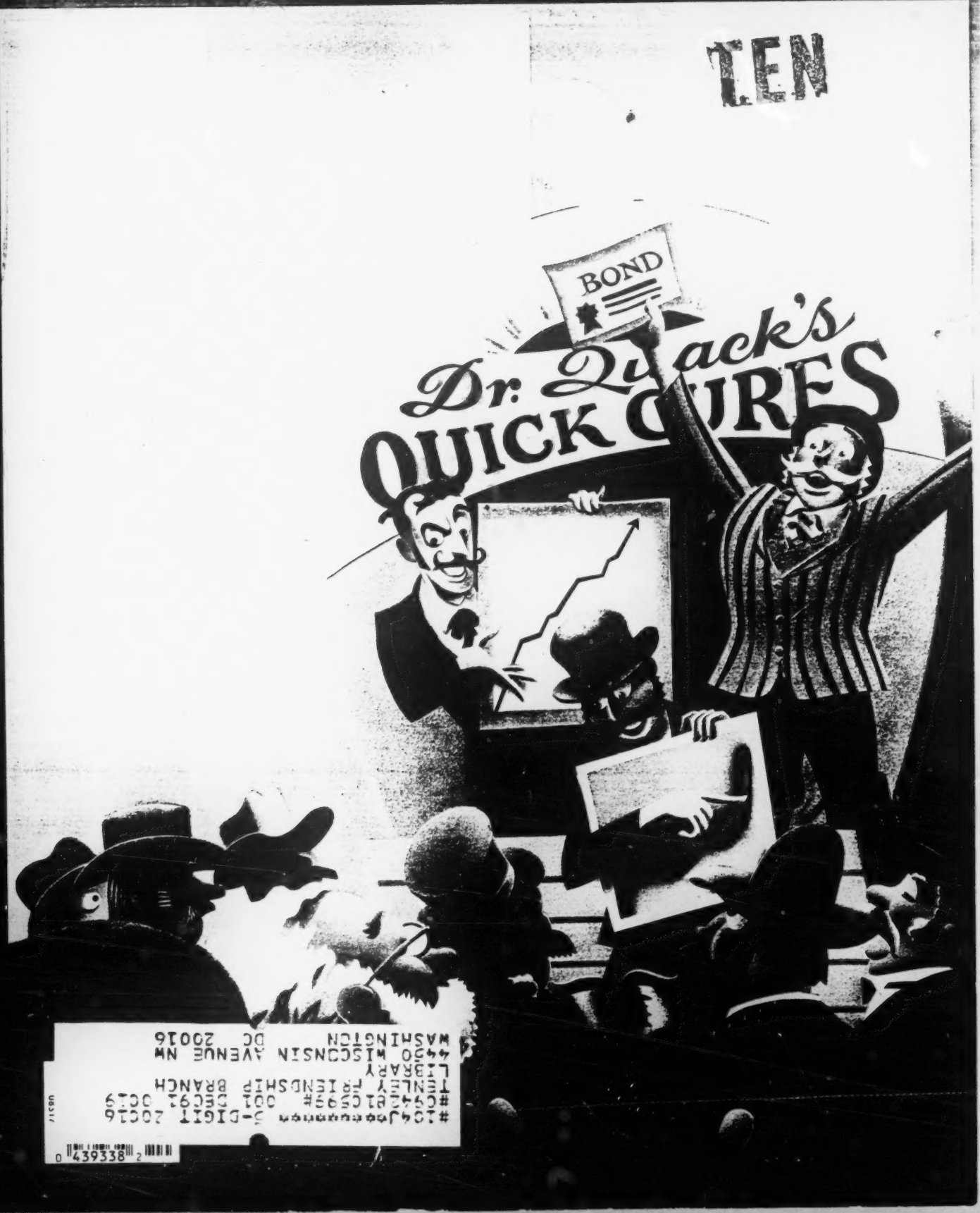
Company/business	Price	53-week high	53-week low	Net cash/ share*	Net cash/ price	Latest 12 months EPS	Latest 12 months P/E	Current ratio
Adaptec/software	9½	24⅛	8⅛	$5.09	52%	$1.74	5.5	6.3
Allen Organ/electronic organs	32¾	38	26	19.71	67	2.96	10.9	28.1
Analogic/precision instruments	8¾	10⅛	8	4.67	55	0.84	10.4	8.1
Chicago Rivet & Machine/fasteners	19	22⅛	18¾	13.04	70	2.09	9.1	6.0
Crown Books/bookstores	16½	28¾	13	8.68	53	2.10	7.9	2.7
Espey Mfg & Electronics/power supply systems	14	18½	11⅛	7.28	62	1.76	8.0	17.5
Fair Isaac & Co/credit evaluation systems	4¾	6¼	4½	3.09	65	0.28	17.0	3.3
Genesee/beer	29½	35½	25½	22.05	75	3.59	8.2	3.5
Jaclyn/handbags	7⅜	11¾	6⅛	3.93	54	0.71	10.4	4.9
Key Tronic/computer keyboards	3⅛	5½	3¾	2.48	68	0.24	15.1	2.8
Kit Manufacturing/recreational vehicles	5⅛	6⅛	4⅛	4.14	79	0.54	10.0	2.3
Prima Energy/oil exploration	5⅞	8	4⅛	2.65	45	0.72	8.2	2.9
Sage Labs/electronics	16¼	18¼	15½	7.45	45	3.89	4.2	2.9
Trimas/fasteners	13	20¼	12¼	6.37	51	1.32	9.8	4.3
Vista Resources/leather products	8⅛	18⅛	7⅛	5.20	62	0.71	11.8	4.0

*Cash and equivalents per share less short-term and long-term debt.
Source: Media General via Lotus One Source

Lessons from the Gulf: Saddam's ineffectual French weapons

General Motors: Beneath the red ink, progress

Investors beware: Stocks with endangered dividends



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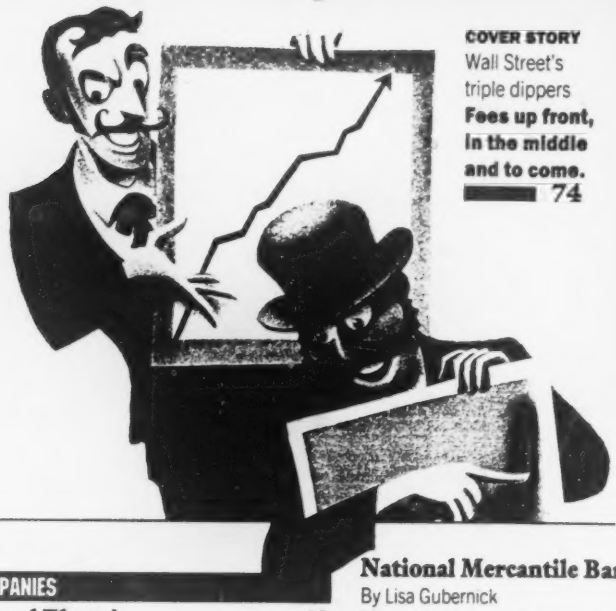

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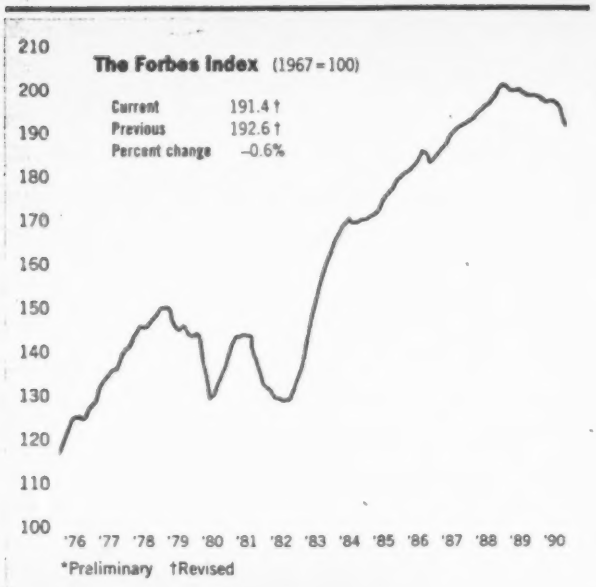
THE FORBES INDEX

BY TIMOTHY DODMAN



Americans are sitting on their wallets. Consumer installment credit, which includes credit card debt and auto loans, fell for the first time since February 1989. The 0.2% drop from November to December, to $738 billion, was the largest decline since February 1987.

With additional defense spending to support the effort in the Persian Gulf, new orders for durable goods rose 3.4% in December. But this figure is still 8.7% below its level one year earlier. During 1990 the Forbes Index dropped 3.4%, the largest annual decline in nine years.

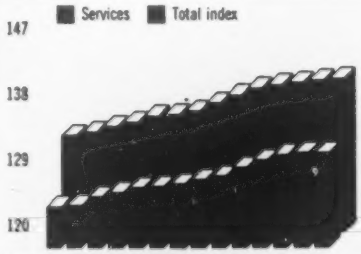
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	9.0%
Auto sales year to date vs. 1990[1]	Ward's Automotive	-29.9%
Index of leading indicators November vs. October	Dept of Commerce	-1.2%
Trade balance 12 months ended November1990	Dept of Commerce	-$102 bil
All-commodity producer price index Dec vs. 1989[2]	Dept of Labor	-0.1%
GNP 4th quarter vs. 3rd—annualized growth	Dept of Commerce	-2.1%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	9.0%

[1] U.S.-based manufacturers, excludes imports, as of 1/31/91.
[2] Wholesale goods. [3] December 1990.

Index components

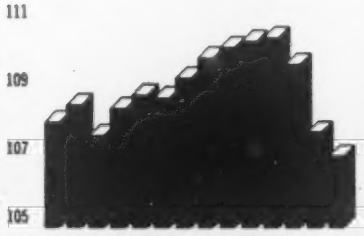
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

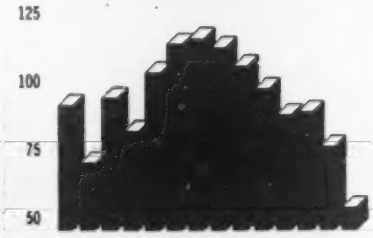


Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)

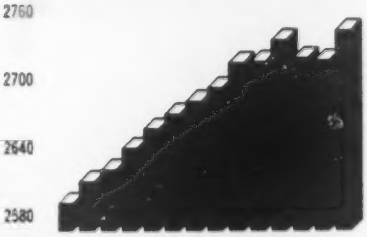
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



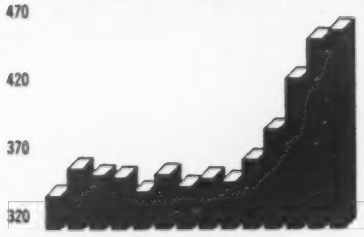
Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)



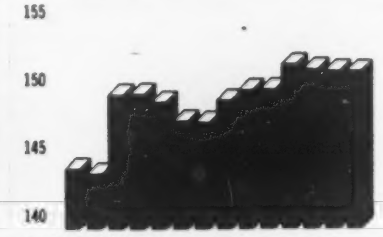
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



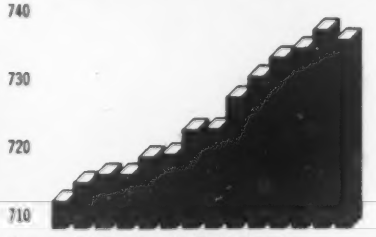
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

N D J F M A M J J A S O N D
1989 1990

Forbes

France's arms merchants did a booming business with Saddam Hussein. Good thing for the French that arms don't come with money-back guarantees, because the French stuff is serving Saddam badly.

It couldn't have happened to a nicer guy

By Peter Fuhrman

IN THE SECOND WEEK of the air war in the Persian Gulf, a fleet of Anglo-French Jaguar fighter bombers, French pilots at the controls, fired laser-guided rockets to blast an Iraqi cache of French-made Exocet missiles and electronic warfare equipment in Kuwait. During the mission, the French pilots had to evade French-made radar.

Why did the French have to use the Jaguar, an older, less capable plane, when they had at their disposal far more up-to-date Mirage 2000s? Because the U.S. Marine antiaircraft kit might have mistaken the French Mirages for the Mirages flown by the Iraqi air force.

There was a certain poetic justice here. The U.S., no matter how mistakenly it had tilted toward Saddam Hussein in recent years, never sold him advanced arms. The French did. And now they are paying the price.

Damaged most irreparably perhaps is the reputation of France's armaments industry. Military reports from the Gulf suggest Saddam hasn't received good value for his money. Sighs Patrick Lemarque, an official with the French government arms procurement and export agency: "The war has not provided very good advertising for French weapons."

Advertising is the least of it. Much of the stuff is just second rate and, happily for the U.S. forces, a generation behind the best U.S. equipment.

What of the once-feared sea-skimming Exocet-Mirage combination—used devastatingly against the British in the Falklands, and against the unready U.S.S. *Stark* in 1987? There could, of course, be a lucky shot in the days ahead, but basically the Exocet is yesterday's threat. To neutralize the Exocets the Allies have gun-mounted radars and fire control systems on their ships and Awacs flying radar stations in the air. In the Gulf, there has been only one confirmed Iraqi attempt to launch Exocets. On that occasion, U.S. F-15s flown by Saudi pilots fired long-range missiles to splash two Iraqi Exocet-equipped fighter aircraft.

But in buying French, Saddam was buying expensive equipment that would never prevail against the best the U.S. has to offer. The Mirage F-1, a staple of the Iraqi air force, is an over-20-year-old design, roughly comparable to the American F-4, which went out of production a decade ago. The Mirage's $35 million price, though, puts it in the same bracket as America's frontline F-15 (around $40 million), and far above the U.S. super dogfighter, the F-16 ($25 million). Saddam got only fizzle for his francs.

This is quite a downfall for France. Until the late 1980s Dassault Aviation S.A. was probably the world's top fighter exporter. But now the bottom has dropped out of the market for Dassault's Mirage fighter.

The French are still trying. Dassault Aviation S.A., builder of the Mirage, is developing a new fighter. The plane is five years from delivery, and won't be much of an advance on General Dynamics' F-16 or McDonnell Douglas' F-18, except in its price tag—close to $100 million a copy, including development costs.

It's a similar story of inadequacy

France's large and diversified state-controlled arms industry exported aggressively, especially the Dassault Mirage fighter (above). But since the mid-1980s sales have slid (see chart), and during 1990 France failed to register a single major new weapons order, as the Gulf war killed plans to sell more planes to Iraq and Jordan.

and antiquation with the French attack helicopters and electronic countermeasure systems in the Iraqi arsenal. War is the best showcase for weapons, and American equipment is stealing the show, as even the French admit. "Countries in the [Persian Gulf] area will be equipped in the future with a lot of American materiel," sniffs French parliament member Jean-Guy Branger. "France will be left to pick up the crumbs that our American allies have not bothered to collect."

That's very unwelcome news for French armsmakers. During the 1980s France rose to become the third-largest arms exporter in the world, trailing only the U.S. and the Soviet Union. Aérospatiale's Exocet missile was the pride of the fleet, and since 1972 France has exported 2,800 of the missiles, earning about $1.5 billion. Most of those Exocet sales came in the wake of the Falklands conflict. The Exocet is past its prime. It is outclassed by sophisticated American smart bombs such as Rockwell International's GBU-15, which destroyed the manifolds the Iraqis turned on to pump crude oil into the Persian Gulf.

Why were the French so willing to sell arms to the Iraqi dictator? Money. Some 25 years ago, when Charles de Gaulle withdrew France from the NATO alliance, he ordered that France must strive for self-sufficiency in arms manufacture. With a defense budget just one-tenth the size of America's, France offset part of the arms cost through aggressive exporting. The outcome was that a lot of nasty dictators got their hands on some nasty weapons. Saddam Hussein was a particularly eager buyer.

The French arms industry, created in its modern form by de Gaulle, and today employing 300,000, is oversized for a nation with a work force of 24 million and a gross national product one-fifth the size of the U.S.' A French military attaché who served recently in Baghdad explains: "France, in selling arms, cannot afford to have many scruples." Iraq, Libya and a gang of other Third World dictatorships took over half of France's $90 billion in arms exports during the 1980s.

Even before the Gulf war showed the inadequacy of most French arms, however, the nation was reexamining its defense posture. The French defense budget is being pared as the Soviet threat in Europe recedes. If for no other reason than economics, French producers are joining other European weapons producers. An early move: Thomson-CSF is working on merging one of its missile programs with British Aerospace Plc. This, too, will lead to greater control over French weapons sales, since the British keep a tighter lid on what they export and to whom.

For the French there's a further irony in a situation that finds them risking French lives to shoot down French products: If the French sold Saddam obsolete stuff, Saddam stiffed them right back. He took delivery of $10 billion of French arms over the past ten years, but he still owes the French government $3 billion. Would you want to be an unsecured creditor of Saddam Hussein?

Judge Greene has blocked the telephone companies from the cable television business, but a higher court has told him to reconsider his reasoning. PacTel has already bet over $200 million that the barrier will fall.

Bell TV?

By Fleming Meeks

U.S. DISTRICT JUDGE Harold Greene in effect controls the future of the $175 billion U.S. telecommunications industry. Seven years after he presided over the antitrust consent decree that broke up the Bell System, and with the help of two law clerks and a secretary, Greene continues to pass judgment on a raft of telecommunications issues, large and small.

It is a monumental job that will define the U.S. economy for years to come. Yet the 68-year-old judge seems to think he can handle it, part time. Much of the time, he works through his normal caseload, which included presiding over the trial of former National Security Adviser John Poindexter. Notes Lee Cox, chief executive of PacTel Corp., the largely unregulated subsidiary of $9.7 billion (revenues) Pacific Telesis Group: "There's simply no process that allows normal, no-brainer things to get handled. Little things go through the same bureaucratic process as precedent-setting matters like cable TV."

There are, however, signs that Greene's grip on the fate of the telecommunications industry may be slipping. Right now there is growing speculation as to whether telephone companies will be allowed to insinuate themselves into the cable business by buying cable systems outside their service areas. (The Bell companies would still be prohibited, by the Cable Act of 1984, from operating cable systems in their service areas.)

Currently, the telephone companies are barred from *any* involvement in cable TV business, as it falls under the heading of "information services"; the consent decree says this market is off limits to the seven Baby Bells. But last year PacTel came up with a clever way of betting that Greene will eventually drop the information services restriction.

Chas. B. Slackman

In June PacTel, which already operates four cable systems in the U.K. and is in the process of building ten more there, effectively snared 75% of Group W's 111,500-subscriber cable system in Chicago. Under the consent decree, PacTel couldn't make the investment directly. So it worked through an intermediary, Transamerica Corp., which made the $213 million acquisition with bank financing guaranteed by PacTel. In return, PacTel got an option to buy the system for an undisclosed fixed price if Judge Greene does allow phone companies into information services.

U-turns

Company	Total subscribers (mil)	1991 cash flow[b] ($mil)	Debt ($mil)	Shares outstanding (mil)	Share price high (1989)	Share price low (10/90)	Share price recent (2/11/91)	Private mkt value per share	Price/ pvt mkt value
ATC[a]	4.6	$584	$840	109	55¼	24	39¼	58	68%
Cablevision Systems	1.6	268	2,100	22	47¼	9⅞	21⅛	50	42
Comcast	2.5	310	2,200	113	19½[c]	7⅛	15½	24	65
Tele-Communications	8.5	1,550	9,300	356	21¾	8⅛	15⅜	25	61
United Artists Ent	2.7	450	2,800	140	23¾	9¾[d]	13¾	20	69

a: 82% owned by Time Warner. b: Estimated; before interest and after adjusting for corporate overhead. c: Adjusted for 3-2 split. d: November 1990.
Sources: company reports; Kenneth Goldman, Hanifen, Imhoff Inc.

After peaking in 1989, cable stocks collapsed, buffeted by fears of reregulation and too much debt. Since October they have rebounded sharply as the threat of reregulation has receded and interest rates have fallen—and perhaps because the market believes Judge Greene will allow the regional Bell telephone companies to invest in cable. Yet despite the rebound, the companies trade at big discounts to latest estimates of their private market values.

Chas. B. Slackman

PacTel has reason to think the judge will be obliged to open the door, or at least a window, to the cable business. Last April the U.S. Court of Appeals for the District of Columbia agreed with the seven Baby Bells that Greene had used an overly restrictive standard when he upheld the information services ban four years ago. The appeals court instructed Greene to reconsider the issue using a more lenient standard. Greene is expected to issue his reconsidered ruling as early as this spring.

If Greene does let phone companies move into cable, look for cable values to rise again. Other phone companies—notably US West, BellSouth and Southwestern Bell, which have been building and buying cable systems in Europe—have been pawing the ground at home and may begin bidding for U.S. cable companies.

Whether or not the stock market has already started taking this possibility into account, cable stocks have rebounded impressively after taking a beating last year, when they were threatened with reregulation. Cablevision's market value has doubled since October, and Tele-Communications is up 80%. Even so, cable stocks are trading well below their peak prices and at big discounts to their private market values *(see table)*.

In the third quarter of last year Fidelity Investments' various funds upped their combined stake in Tele-Communications Inc. to 8 million shares from 3 million shares. Fidelity's broadcast and cable analyst Fergus Shiel cites fundamental factors—increasing penetration and rising revenue-and-cash-flow-per-subscriber—for his bullish stance. But he adds that a favorable ruling from Judge Greene would be "a kicker" that would exert further upward pressure on the cable companies' private and public market valuations.

Will Judge Greene open up cable to the Bell companies? PacTel is betting with its pocketbook that he will. But other Baby Bells say they are less certain. A US West spokesman says his company has no plan of action in place for a lifting of the information services restriction. "We've speculated on what the judge might do in the past," he explains, "and we haven't been right yet."

Barcelona's young Javier de la Rosa made his fortune helping the Kuwaitis invest their petrodollars. Can he do as well now that he is branching out on his own?

The new face of Spain

By John Marcom Jr.

SPAIN WAS DESTINATION number one for savvy foreign money in the mid-Eighties. The country's industrial base doesn't yet have much to show for the investment, but a number of individual Spaniards have done very nicely indeed. Probably none has fared better than Javier de la Rosa.

About six years ago de la Rosa, now 43, teamed up with the Kuwait Investment Office, the discreet London-based agency empowered to invest much of the Gulf emirate's oil revenue. The Kuwaitis, eager to pour billions of dollars into Spain but sensitive to public opinion, used de la Rosa

Michele Clavel

Javier de la Rosa

Member in good standing of Spain's new business establishment in Madrid.

THE FORBES WALL STREET REVIEW

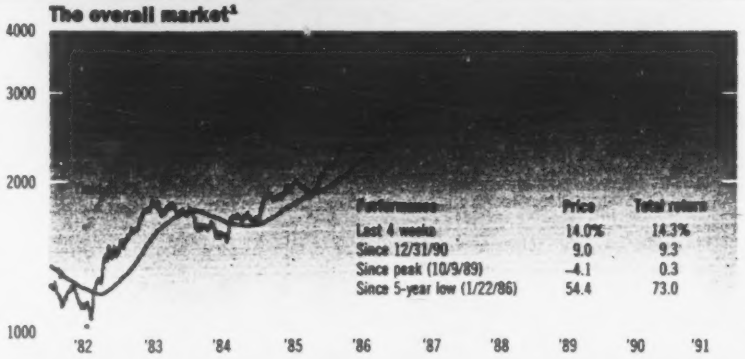
BY ERIC S. HARDY

Technology stocks are becoming attractive again, says James C. Mendelson, a computer and software analyst at Morgan Stanley. The stock of Oracle Systems, the world's largest maker of database management systems, has recently gained 50%. Priced at $10 a share, Oracle is nonetheless at little more than a third of its historic high. "This stock is still speculative, but it has the potential to come back strongly," says Mendelson, who cites the company's leading role in so-called relational database software. Mendelson also likes BMC Software and Goal Systems International. BMC Software, a Texas-based developer of IBM-compatible mainframe software, has averaged 50% sales growth over the past few years, carries virtually no debt and has strong cash flow. Goal Systems International, which also develops IBM-compatible mainframe software, has grown through acquisitions.

After a flurry of upside activity, defense stocks seem to be waning again. A recent 13% drop in Grumman drove it below its prewar level. And General Dynamics, with a 7% loss, gave back part of the gains it scored right after the outbreak of fighting in the Persian Gulf.

But most stocks rallied. The Dow industrials are now up more than 300 points, or 12%, since the shooting began on Jan. 16. The Nasdaq gained more than 19%.

The overall market[1]



The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel Vol[3]
Kemper Corp	30⅛	41	NM	2,149	1.5
Stone Container	15¼	37	10	4,669	2.4

The worst performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel Vol[3]
Chrysler	12	-8	41	12,365	1.8
Eli Lilly	73⅞	-8	20	10,528	1.5

Closeup on the market

Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,379.5	7.4%
Wilshire index 6,000 stocks, equal weighted	19.8	14.7
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,810.6	6.3
S&P 500 Capitalization weighted cross section, major stocks	356.5	6.5
NYSE Capitalization weighted, all listed common stocks	194.7	6.6
Amex Capitalization weighted total return: stocks, warrants	334.7	9.1
Nasdaq Capitalization weighted, all issues except warrants	435.0	11.2
Amex international market index Capitalization weighted, 50 largest ADRs	317.4	6.5

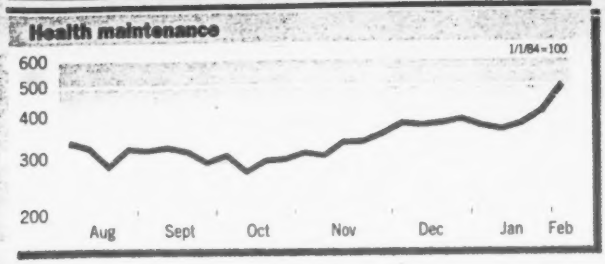
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	858.60	7.4%
Institutional[5] Approximately 200 stocks with high institutional ownership	112.14	10.4
Individual[5] Approximately 200 stocks with low institutional ownership	93.60	12.9
Russell 200 index 2000 small market value stocks, capitalization weighted	151.08	11.9
Gold[6] (composite quote of 6 major dealers)	$367.60	-1.3
Yen[6] (per $U.S.)	128.60	-2.8
Commodity index[6] (CRB futures index, 1967=100)	212.67	-0.9
Oil[6] (W Texas Intermediate)	$21.20	-16.2
T bills[5] (90 days)	5.90%	-21.0 basis points[7]
Broker loan rate[6]	9.00%	Unchanged

Note: All data for periods ending 2/7/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalization of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume during the preceding 3 months. [4]Morgan Stanley Capital international perspective. [5]For period ending 2/8/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

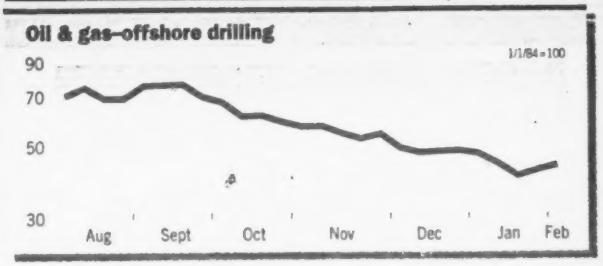
INDUSTRY REVIEW

BY GILBERT STEEDLEY

Best industry over the last 6 months



Worst industry over the last 6 months



"Health care stocks are a defensive haven for investors, and their earning momentum has little risk of derailing," says Dorothy E. Ryan, a senior analyst at California-based Robertson Stephens & Co. That's why the sector's stocks were strong even before the rally, she says.

Several computer groups also rose sharply over the last six months. "These stocks were probably helped by the decline in interest rates and a perception that they had been oversold," says Craig Krapf, analyst at Edward D. Jones & Co. Apple Computer, aided by a 33% increase in December quarter earnings, is near its alltime high.

Energy stocks had a sharp runup immediately following Iraq's invasion of Kuwait, but then lost ground. The worst-performing group for the last six months was offshore drilling. The market value of Energy Service, a contract driller, was cut nearly in half, to $221 million.

Leading industries

Health maintenance

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
US HealthCare	36¾	103%	99	93	33
United Healthcare	29½	76	98	90	26
Foundation Health	18½	64	94	85	11
PacifiCare Health Systems	23	26	90	96	16
FHP International	16¼	6	79	95	13

Computers–mini & micro

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Apple Computer	55¼	35%	95	82	14
Compaq Computer	69¾	28	94	98	14
Digital Equipment	70½	–2	74	13	NM
Hewlett-Packard	37¾	–6	71	56	12
Sun Microsystems	29	–6	92	98	19

Electric components & semiconductors

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Advanced Micro Devices	8⅛	22%	94	22	NM
Intel	47	20	86	98	15
Texas Instruments	38	18	86	20	NM
National Semiconductor	6¼	12	87	25	NM
LSI Logic	8¼	–27	72	34	NM

Lagging industries

Oil & gas–offshore drilling

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Energy Service	2⅜	–49%	16	16	NM
Chiles Offshore	7	–47	23	79	NM
Rowan Companies	8⅞	–36	16	69	NM
Global Marine	3⅝	–29	25	69	NM
Tidewater	14¾	–25	39	85	18

Oil & gas—exploration & production

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Oryx Energy	33½	–36%	20	94	19
Enron Oil & Gas	17¾	–31	17	69	48
Anadarko Petroleum	26¼	–29	20	98	25
Union Texas Petroleum	15½	–27	21	78	19
Burlington Resources	36¼	–21	31	95	25

Natural gas—pipelines

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Sonat	41⅛	–22%	28	74	18
Coastal	29	–15	31	81	15
Columbia Gas System	43¾	–8	35	71	17
Enron Corp	50¾	–8	37	94	11
Interhome Energy	40¼	–4	53	76	12

Industries are ranked from 1 (highest) to 197 (lowest) based on the equal-weighted price performance of the companies within the industry group. Industry performance is based on 6-month price changes with the most recent 3-month results weighted 70%. Relative strength is a stock's daily price change over the last 12 months. Relative EPS measures a company's earnings-per-share growth in the last 2 quarters, the last 5 years and the stability of that growth. For both measurements, stocks are compared with all other stocks and ranked on a scale of 0 to 99, with 99 the highest. NM: Not meaningful. All data for periods ending 2/1/91. Source: Investor's Daily, Los Angeles, Calif.

What is the stock market rally saying? Economic recovery ahead.

The "R" word

BY CHARLES E. BABIN

Charles E. Babin is managing director of BRS Capital Management, Inc., an investment management firm, in Boston.

IT'S OFFICIAL: 1990's economy was abysmal. According to preliminary figures, real GNP growth turned sharply negative in the final quarter (–2.1% annual rate). The calendar-year average result was anemic, too. The economy eked out an unimpressive 0.9% gain—its poorest showing since 1982. Equity returns suffered as well, with the S&P's total return declining 2.9%—the worst performance since 1974, and the Composite's first negative year since 1981.

What's more, if the experts are right, we are not out of the woods. According to a year-end survey of some 50 of the nation's top economists, conducted by Blue Chip Economic Indicators, 1991's real GNP growth will slump to –0.1%.

What about those gloomy economic forecasts? The fact is, the inability of economists to predict the economy—especially at critical turning points—has the profession awash in pink slips (FORBES, *Jan. 21*). So the marketplace seems to be saying something about the reliability of their forecasts.

There are other portents of a turnaround in the making. Aside from the stock market's dramatic recovery, credit market behavior, traditionally an early-warning indicator of impending shifts in the real economy, has witnessed a substantial decline in interest rates over the past two years. From a high of 9.1% (March 1989), three-month Treasury bills declined to 6.05% by mid-January 1991. Low interest rates do not guarantee a robust economy. But given the statistical relationship between interest rates and GNP, the chance of this year's consensus forecast proving out is less than 5%. In fact, odds are better than 3-to-1 that 1991's real GNP growth will exceed last year's pace.

For equity investors, now is the time to identify sectors with a demonstrated ability to beat the market during recovery periods. Which are they?

Over the past two decades there have been four occasions when the economy rebounded from negative-growth years. One of these (1981) was peculiar in that it was sandwiched between two recession years. While it was a tough year for stocks generally, it does satisfy this recovery-year criterion; I have, therefore, included 1981 in my analysis.

Standard & Poor's organizes its Composite Index into roughly 90 nonredundant industry groups. Of these, some 67 have at least 20 years of historical price data. Incredibly, according to S&P's "Security Price Index Record," only 23 of these sub-set indexes posted gains in each of the four recovery periods.

But, the big question is: Which sectors outperformed the overall market during these bust-to-boom cycles?

As shown in the table, only six S&P industries appreciated, relative to the S&P benchmark, in each of the four recovery years. Let's take a portfolio consisting of all 31 issues S&P assigns to these groups and with equal industry weights. Led by leisure time, heavy-duty trucks and parts, and truckers, such a portfolio would have eclipsed the Composite's return by a wide margin every time. And if the exceptional case proves the rule, it's interesting that this portfolio would have gained more than 14% during 1981's bear market.

Given S&P's weighting system, a handful of stocks make up the lion's share of these six select indexes. So it may be possible to play the economic rebound using the dominant issue from each. These companies, all NYSE-listed issues save one, are: Eaton Corp, Brunswick Corp., Dun & Bradstreet, Walgreen Co., Roadway Services (o-t-c) and Torchmark Corp.

If nothing else, 1990's economic collapse demonstrated that the business cycle lives. While we may be mired in recession currently, now is not the time to sour on equities. The economic upturn—whenever it materializes—likely will find the experts groping for another "R" word: recovery. The trouble is, by the time they adopt it, the opportunity to pocket excess returns over the Composite may have passed.

Stock watch

S&P industry group	Recovery-year appreciation 1983	1981	1976	1971	average
Financial (life insurance cos)	26.2%	5.4%	38.7%	24.2%	23.6%
Heavy-duty trucks & parts	52.8	4.4	71.3	34.7	40.8
Leisure time	56.4	26.4	39.7	55.8	44.6
Publishing	21.8	11.6	31.1	15.0	19.9
Retail stores (drug)	29.2	16.4	25.8	76.8	37.1
Transportation (truckers)	38.2	19.8	20.3	81.8	40.0
Average	37.4	14.0	37.8	48.1	34.3
S&P Composite	17.3	–9.7	19.2	10.8	9.4

Is an economic rebound ahead? If so, investors will look for recovery plays. History shows that only six S&P industry groups outperformed the S&P Composite during previous bust-to-boom cycles.

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Colgate-Palmolive: now comes the hard part

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March 18, 1991 Four dollars

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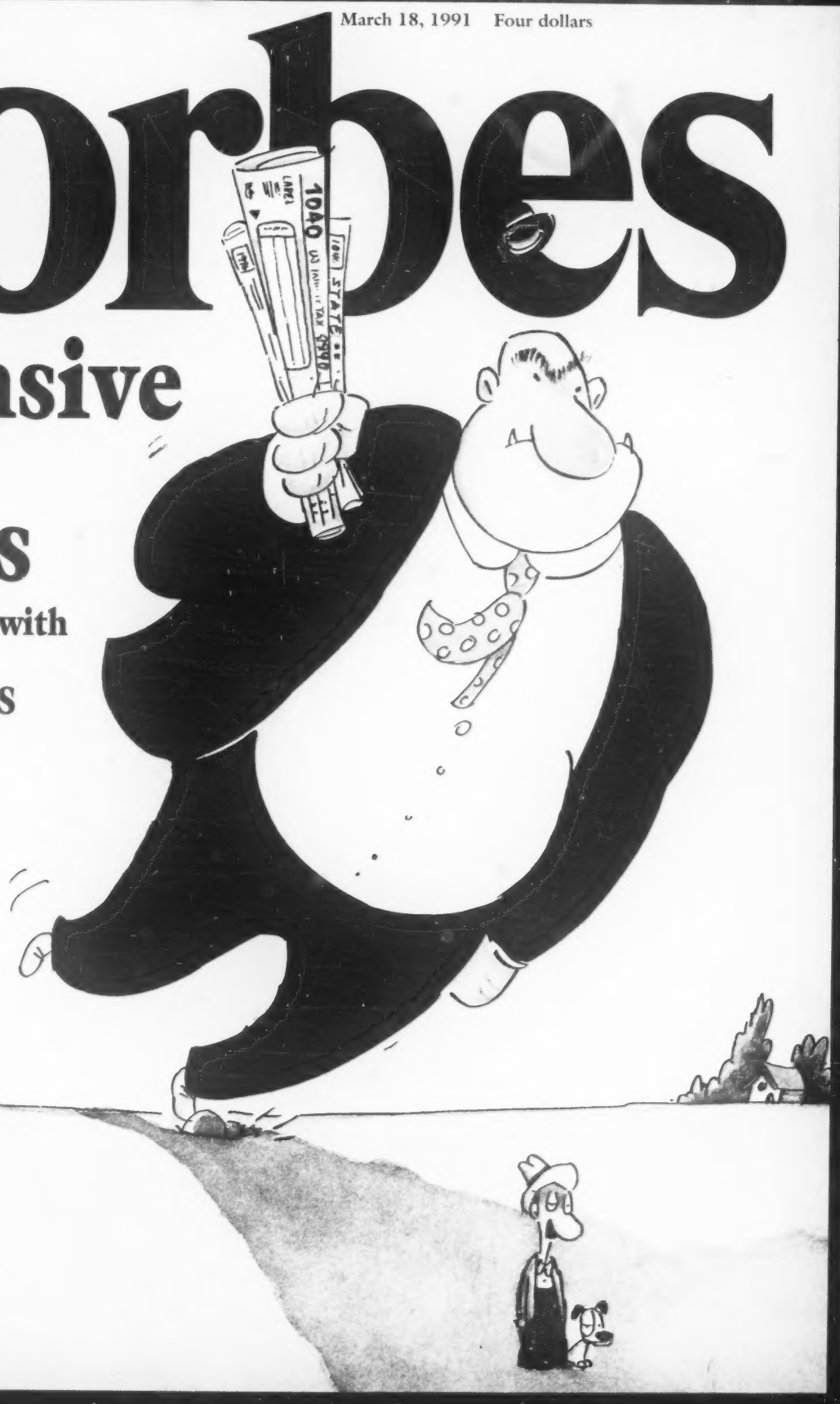

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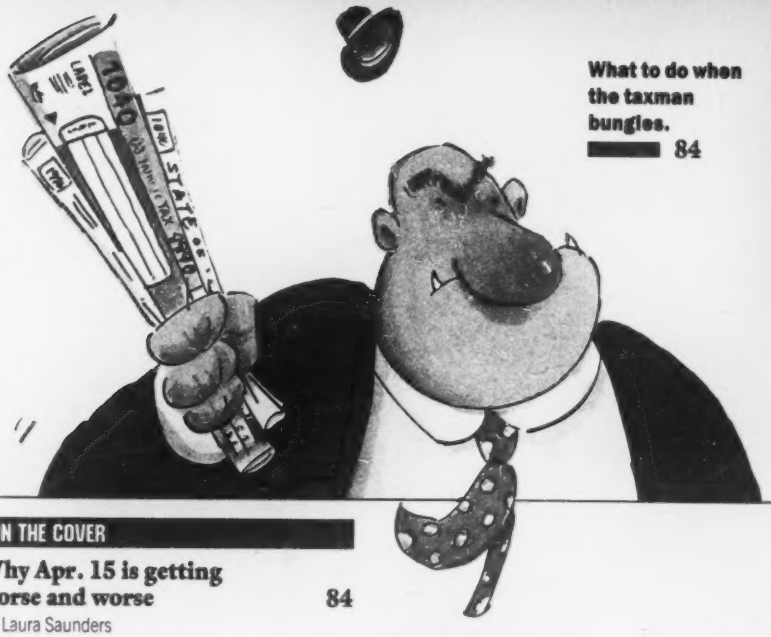

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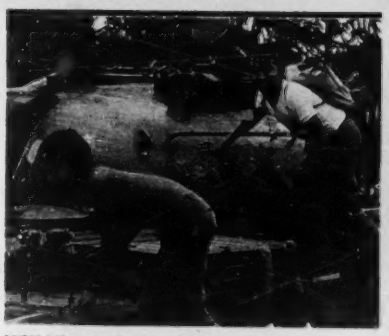

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Cover illustration by Patrick McDonnell

Forbes

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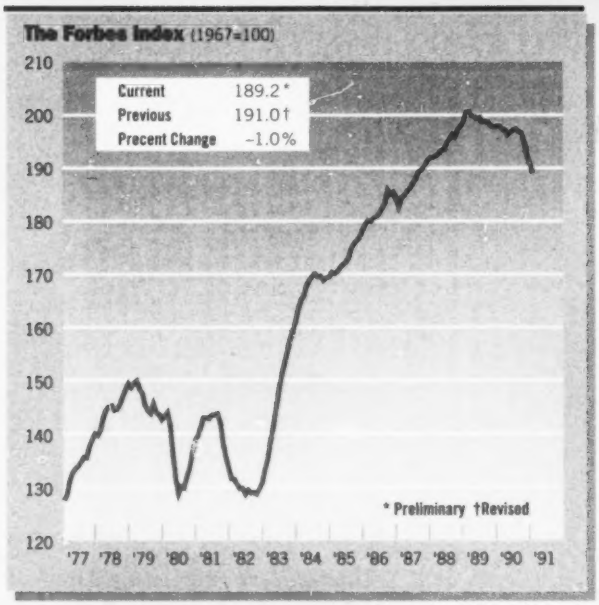
BY TIMOTHY DODMAN



Consumers are spending, but not on big-ticket items. January retail sales were off 0.9% from the downwardly revised December result. Sales weakness was concentrated in the auto sector, off 4.4%. Take away the auto component and the remaining retail sales were unchanged. Some retailers have managed to turn in strong results.

Elsewhere in the economy, industrial production suffered a 0.5% drop in January. Housing starts fell 6.6% to their lowest point since February 1982. It remains to be seen if lower interest rates will revive this sector.

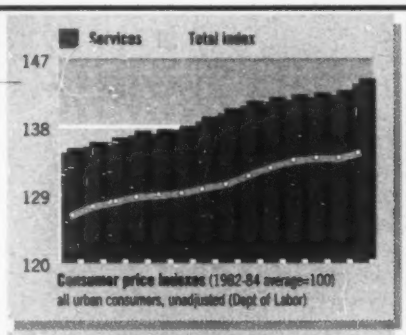
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	9.0%
Auto sales year to date vs 1990[1]	Ward's Automotive	-23.7%
Index of leading indicators Dec vs Nov	Dept of Commerce	0.1%
Trade balance 12 months ended Dec1990	Dept of Commerce	-$100 bil
All-commodity producer price index Dec vs Nov[2]	Dept of Labor	0.0%
GNP 4th quarter vs. 3rd—annualized growth	Dept of Commerce	-2.1%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	9.0%

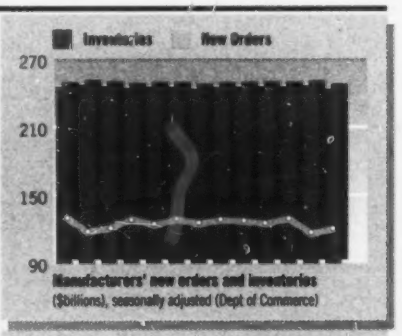
[1] U.S.-based manufacturers, excludes imports, as of 2/20/91.
[2] Wholesale goods. [3] December 1990.

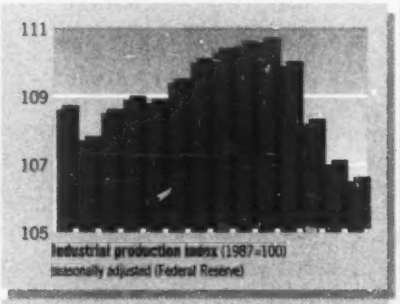
Index components

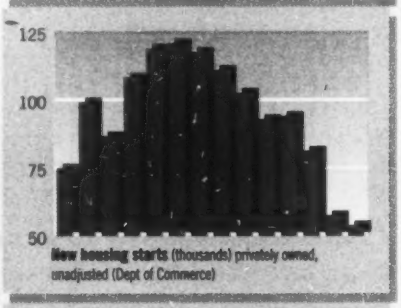
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

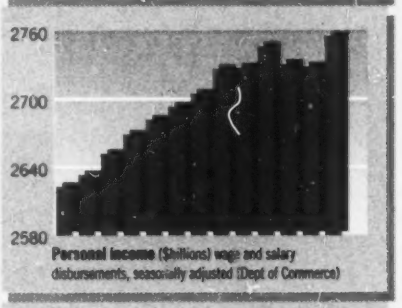
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

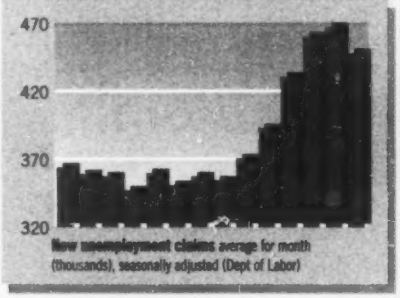


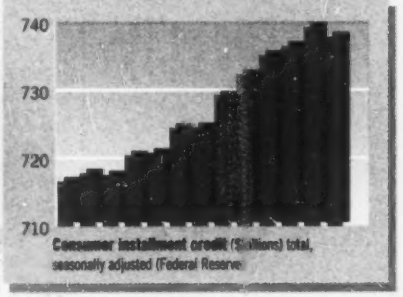












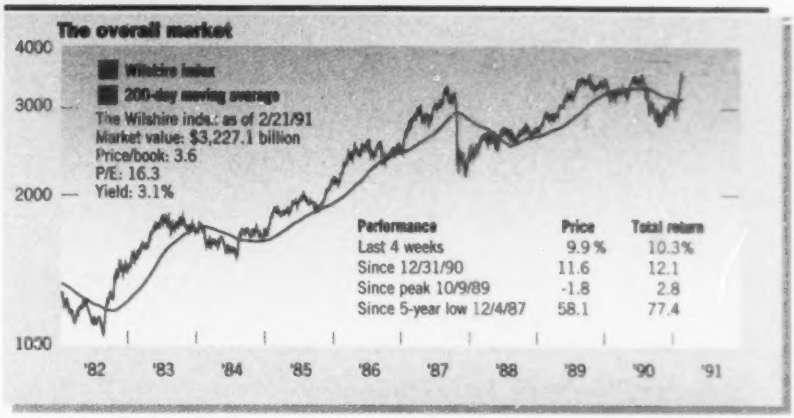
BY ERIC S. HARDY

In just the past four weeks, the Wilshire index had a total return (including dividends) of 10.3%. That's enough for David Elias, an investment adviser in Buffalo, to advise caution. Elias thinks that uncertainty over the timing of the expected economic recovery and the prospects for disappointing first-quarter earnings could set off a correction. "We have been taking at least a third of our money off of the table on any stock with a 25% profit," he says.

In particular, Elias recommends avoiding oil stocks and basic industries such as steel and aluminum. "If you want to participate in a cyclical stock, you want to own a growth cyclical like Kimberly-Clark, which could come in with double-digit earnings in the next two years," he says. As for noncyclicals, Elias favors Philip Morris, Schering-Plough and Wal-Mart.

Even though overall first-quarter earnings may be soft, there will be some individual surprises. For example, the Wall Street analysts tracked by the Institutional Brokers Estimate System were predicting that Hewlett-Packard would earn 70 cents a share in the December quarter. But the Palo Alto, Calif. computer company reported 83 cents; its stock climbed 24% between Feb. 7 and Feb. 21.

In the last two weeks the Wilshire index gained 2.4%; the Dow, 2.9%.



The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Square D	75	51%	15	7,833	2.2
Howlett-Packard	47¼	24	15	14,763	2.4
KLM Royal Dutch Airlines	14⅞	20	10	968	1.8
Reebok Intl	19⅞	20	13	9,804	2.8
Amgen	95½	19	NM	13,272	1.8

The worst performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Laidlaw	16¾	-14%	16	14,285	2.8
Turner Broadcast Sys	13½	-12	NM	420	1.4
Metro Mobile CTS	12¾	-12	NM	1,224	1.6
Trinova	21½	-12	14	935	1.6
Oracle Systems	9	-11	22	14,698	0.9

Closeup on the market

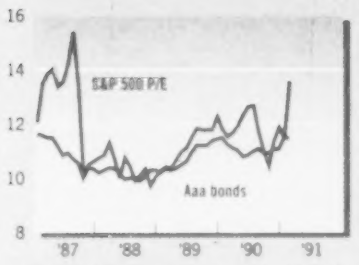
Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,460.0	2.4%
Wilshire index 6,000 stocks, equal weighted	20.6	5.2
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,891.8	2.9
S&P 500 Capitalization weighted cross section, major stocks	365.0	2.4
NYSE Capitalization weighted, all listed common stocks	199.3	2.3
Amex Capitalization weighted total return: stocks, warrants	341.8	2.1
Nasdaq Capitalization weighted, all issues except warrants	446.4	2.6
Amex international market index Capitalization weighted, 50 largest ADRs	325.63	2.6
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	892.20	3.9%
Institutional[5] Approximately 200 stocks with high institutional ownership	115.91	3.4
Individual[5] Approximately 200 stocks with low institutional ownership	95.81	2.4
Russell 200 index 2000 small market value stocks, capitalization weighted	156.36	3.5
Gold[6] (composite quote of 6 major dealers)	$362.50	-1.4
Yen[4] (per $U.S.)	131.34	2.1
Commodity index[4] (CRB futures index, 1967=100)	211.21	-0.7
Oil[3] (W Texas Intermediate)	$18.45	-13.0
T bills[6] (90 days)	5.93%	3.0 basis points[7]
Broker loan rate[6]	9.00%	unchanged

Note: All data for periods ending 2/21/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since the index was created. Stocks listed above have market capitalization of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume during the preceding 3 months. [4]Morgan Stanley Capital international perspective. [5]For period ending 2/22/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

WHAT THE ANALYSTS THINK

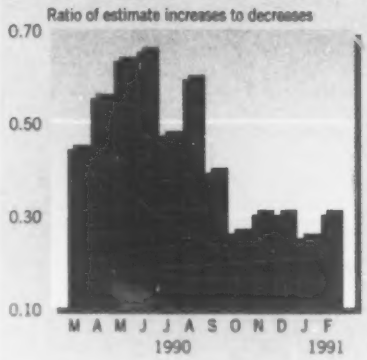
BY STEVEN RAMOS

S&P 500 P/E* vs. Aaa bonds†



*S&P 500 P/E is the recent price of the S&P 500 divided by estimated earnings over the next 12 months. †Projected price-to-coupon ratio for Moody's Aaa corporate bond index.

S&P 500 companies



Forecasting the S&P 500

Year	Estimated P/E	% change current estimates vs. 3 months ago	expected year-to-year EPS growth
1990[1]	15.2	NA	-5%
1990	15.3	-6%	-2
1991	13.5	-7	13

1991 estimates for major industry groups

Rising estimates	Falling estimates
tobacco	airlines
cosmetics	automobiles
drugs	machine tools
beverages, soft drinks	leisure time
medical prods, equip	heavy trucks, parts

"People are ignoring the earnings forecasts for 1991—their thinking is that 1991 is not going to be any better than 1990, and so they're looking ahead to the recovery of 1992," says Richard Pucci, database director for the Institutional Brokers Estimate System. In January the IBES index of estimate revisions on the S&P 500 hit its lowest level since January of 1985 as analysts cut four estimates for every one that they raised. But Pucci expects the index to climb in the next few months. That's because with each passing month, 1992 estimates will carry increased weight in the index, and analysts are expecting an economic rebound in 1992.

The graph on the top left shows the relationship between the estimated P/E on the S&P 500 and the projected price-to-coupon ratio for Moody's Aaa corporate bond index. Pucci points out that downward corrections often occur whenever the P/E ratio for stocks, as measured by the S&P 500 index against expected earnings, gets more than 15% above the corresponding ratio for bonds. Right now it is 18% above.

Who's hot

Greatest increase in estimates over the past three months

Company/industry	1990 EPS	1991 estimate: recent	1991 estimate: 3-month change	P/E	3-month price change	Reason
Commodore Intl/computers	$0.05	$1.44	NM	11	97%	Strong European sales of Amiga computer
Sysco Systems/computers	0.99	2.38	31%	24	60	Increased demand for high-end products
Tektronix/electronic systems	-0.86	1.56	26	13	14	Benefits from corporate restructuring
AST Research/computers	2.38	3.58	23	13	77	Increased demand for 486-based PCs and lower costs
Atlantic Southeast Air/airlines	2.18	2.71	17	11	95	Benefits from the demise of Eastern Air Lines

Who's not

Greatest decrease in estimates over the past three months

Company/industry	1990 EPS	1991 estimate: recent	1991 estimate: 3-month change	P/E	3-month price change	Reason
GlenFed/savings & loan	$3.38	$0.92	-61%	6	-30%	Soft real estate market
CBS/broadcasting	3.55	4.37	-57	36	-4	Heavy losses from major league baseball contract
Southdown/building materials	-1.33	0.72	-53	20	10	Slow demand for construction products
Shawmut Natl/banking	-1.84	0.59	-52	7	-37	Increased non performing loans
Louisiana Pacific/forest prods	2.42	1.80	-45	17	17	Declining orders for wood products

Note: Companies listed have a market capitalization of $100 million or more. Earnings projections are for Wall Strreet consensus estimates data from 3,000 security analysts compiled by the Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan Investment Services. Aaa bond yield forecasts supplied by Blue Chip Economic Advisors. [1] Actual. NA: Not available. NM: Not meaningful.

Why playing the market is like playing poker

Was Shakespeare a male chauvinist racist?

Environmentalists embrace Adam Smith

C3+50-1

April 1, 1991 Four Dollars

Forbes

Microsoft's Bill Gates

Can anyone stop him?

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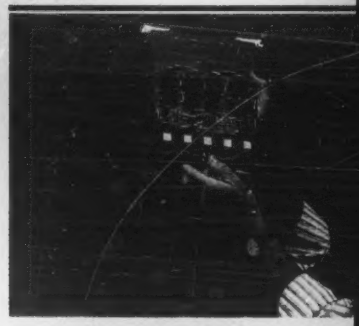

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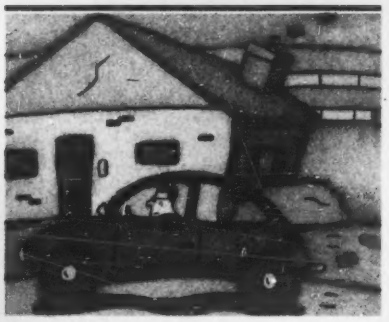

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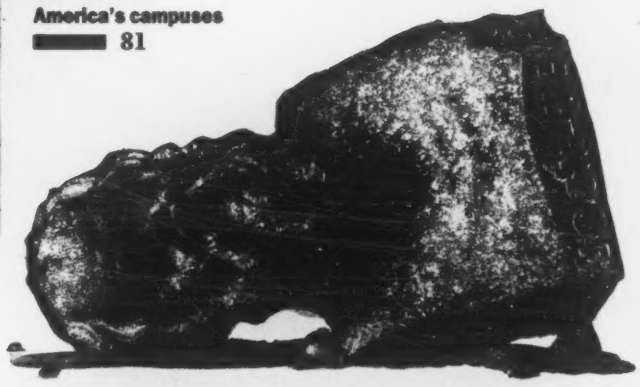

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$100,000 CONTEST CONSENSUS: THERE AIN'T NONE

MORE THAN 6,000 readers entered FORBES' second Decade Contest. In 1980 we offered $10,000 to the reader whose predictions came closest to what a number of yardsticks would be a decade thence; this time, $100,000.

Unlike the first go-around in 1980, there's nothing approaching a consensus. A decade ago most people assumed a high rate of inflation. It didn't happen, one reason why the Eighties were such a turbulent decade. Tens of billions of dollars were invested on the assumption of rapidly rising prices. What looked smart in 1980 was looking dumb by 1985.

This pool of prophecies ranges all over the lot. Some contestants see steady growth, others fear wild inflation and some a 1930s depression-style deflation. Just look at the ranges of the price of gold and of the value of the dollar.

Yet, for the most part, the averages and the medians in these and other categories were pretty tame. The median growth of the gross national product was a mere 2.1%, half what the economy did in the 1980s. The average was much more encouraging, around 3.5%. The outlook on the budget deficit was very good news; both the average and the median are fractions of what the shortfall is now.

In every era people anticipate inventions that don't develop and mostly don't anticipate those that do. Ten years ago hardly anyone foresaw the extraordinary boom of personal computers. What will be the PC of the 1990s?

Some readers don't think that high-definition television as we think of it will happen, and some don't believe we're going to get wristwatch telephones. Given history, their skepticism can't be dismissed out of hand.

The most discouraging number occurs in the lawyer category. Similar to inflation a decade ago, the locustlike litigation plague seems unstoppable, which means less economic growth, less productivity and, most discouragingly, less innovation. Could the automobile have ever blossomed in the teeth of today's trial lawyers?

But who knows, perhaps the scandalous, destructive litigation fever will be broken, as it was with inflation.

A question: What do you think these numbers would have looked like if people had filled in their entries after the Gulf war?

Below are the results of what contestants think will be the answers on Dec. 31, 1999.

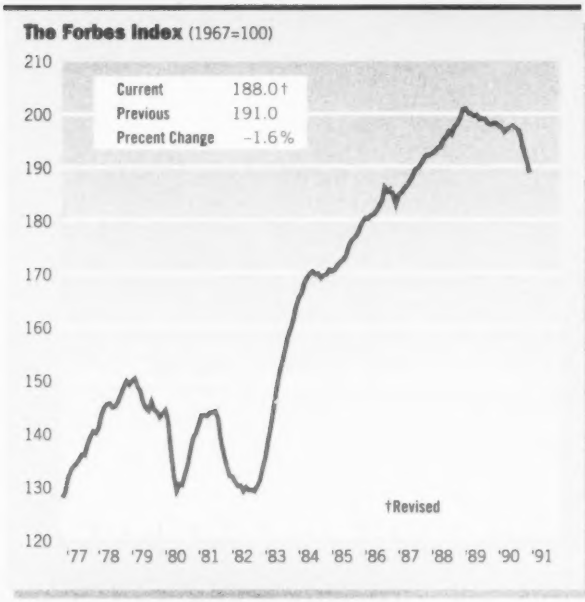
The $100,000 answers

Category	1989	1999 Average	1999 Median	1999 High†	1999 Low†
Value of $1	$1	$0.56	$0.55	$2.50	$0.04
Dow Jones industrials	2753	4788	4343	15142	940
Average daily NYSE volume	165 mil	1,070 mil	260 mil	2,211 mil	40 mil
No. of Forbes Sales 500 cos of 1989 still on Forbes list	500	351	360	500	35
Gold	$399/oz	$585/oz	$500/oz	$3,192/oz	$75/oz
Oil—price of Saudi light crude	$18.40/bbl	$34.62/bbl	$30.00/bbl	$200.00/bbl	$5.00/bbl
Oil—daily U.S. imports	7.9 mil bbl	18.3 mil bbl	9.0 mil bbl	68.0 mil bbl	1.2 mil bbl
Hamburger—Big Mac	$1.79*	$3.10	$2.89	$10.95	$0.50
Microwave ovens	70 mil*	329 mil	110 mil	700 mil	2 mil
New home, single family	$148,800	$233,516	$215,500	$900,000	$24,700
Home mortgage rate—new home	9.76%	10.22%	10.00%	20.00%	5.00%
Prime rate	10.5%	10.73%	10.50%	23.60%	4.60%
30-year Treasurys	8.45%	8.88%	8.90%	20.00%	4.00%
GNP (actual)	$5.2 tril	$10.8 tril	$9.3 tril	$85.0 tril	$3.2 tril
GNP (in 1989 dollars)	$5.2 tril	$7.3 tril	$6.4 tril	$40.0 tril	$1.5 tril
National debt	$3.0 tril	$10.8 tril	$4.5 tril	$500 tril	$0
Federal budget surplus (or deficit)	($152 bil)	($149 bil)	($62 bil)	$2,000 bil	($2,000 bil)
U.S. trade surplus (or deficit)	($109 bil)	($60 bil)	($25 bil)	$1,000 bil	($1,000 bil)
Consumer debt (excl mortgages)	$717 bil	$2,489 bil	$1,000 bil	$14,778 bil	$1 bil
Per capita income	$15,186*	$27,121	$25,000	$109,760	$5,000
Top fed personal income tax rate	28%	35%	35%	70%	15%
Employed workers	119 mil	220 mil	140 mil	382 mil	85 mil
Unemployed workers	6.5 mil	11.3 mil	7.9 mil	68.5 mil	2.1 mil
Yen per dollar	143.45	178.24	150.00	600.00	1.00
Deutsche marks per dollar	1.70	6.77	1.70	225.00	0.25
Rubles per dollar (black market)	30	877	45	19,000	0
Computers	52.4 mil	1,879.5 mil	107.1 mil	2,500.0 mil	12.6 mil
First-class stamp	$0.25	$1.01	$0.49	$50.00	$0.10
Credit cards	908 mil	103,279 mil	1,200 mil	2,000 bil	1 mil
Fax machines	2.8 mil	81.2 mil	16.0 mil	3,300 mil	40 thou
Homes with high-definition TV	—	37 mil	9 mil	1,000 mil	0
Cellular telephones	3.5 mil	39.0 mil	17.0 mil	600.0 mil	1.0 mil
Wristwatch telephones	—	8.7 mil	1.0 mil	323.0 mil	0
Registered motor vehicles	189 mil*	394 mil	220 mil	602 mil	23 mil
Lawyers	725,574	8,246,689	925,000	1 bil	100,000
Stockbrokers	438,701	1,781,153	450,000	8,043,010	50,000
Pro baseball teams	26	31	30	52	18
U.S. population	249 mil*	299 mil	280 mil	700 mil	200 mil
World population	5.2 bil*	15.0 bil	6.3 bil	73.5 bil	3.0 bil
Party in the White House	Republican	Republican	Republican	—	—
Party in the Kremlin	Communist	Communist	Communist	—	—
Number of countries to emerge from present U.S.S.R.	—	6	5	26	0

Figures for the U.S. except where noted. *Estimate. †Preliminary programming has selected high and low figures to remove distortions, such as leaving a category blank.

THE FORBES INDEX

BY TIMOTHY DODMAN



The unemployment rate rose in February to 6.5% of the civilian labor force, the highest level in nearly four years. In the first two months of this year, 417,000 workers were cut from nonfarm payrolls. A weak labor market combined with a 0.5% drop in personal income in January undoubtedly contributed to a 0.3% decline in consumer installment credit in January. This is the first consecutive monthly drop in this indicator in four years. After being boosted by military expenditures in December, orders for durable goods fell 1.8% in January.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	9.0%
Auto sales year to date vs 1990[1]	Ward's Automotive	-20.0%
Index of leading indicators Jan vs Dec	Dept of Commerce	-0.4%
Trade balance 12 months ended Dec1990	Dept of Commerce	-$100 bil
All-commodity producer price index Jan vs Dec[2]	Dept of Labor	0.0%
GNP 4th quarter vs. 3rd—annualized growth	Dept of Commerce	-2.0%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	5.0%

[1] U.S.-based manufacturers, excludes imports, as of 2/28/91.
[2] Wholesale goods. [3] January 1991.

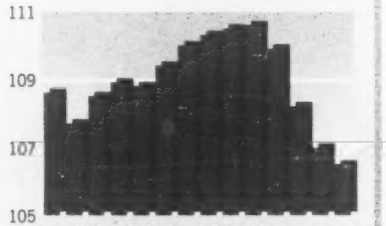
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

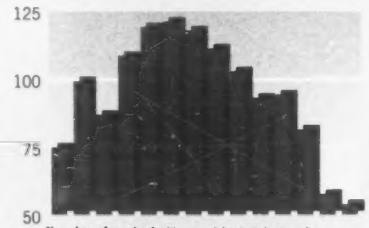
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

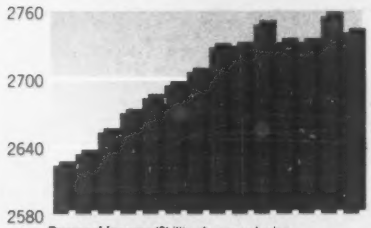
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

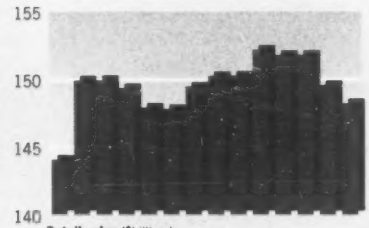


New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

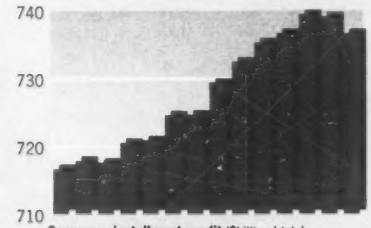


Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

D J F M A M J J A S O N D J D J F M A M J J A S O N D J D J F M A M J J A S O N D J

Veteran analyst Walter Loeb thinks the hot retailing theme in the 1990s will be the home. That's why he likes Home Depot, Pier 1 and Williams-Sonoma.

Look homeward

By Suzanne L. Oliver

Kelly Campbell

Retail analyst Walter Loeb
He likes growth and he's willing to pay for it. So he'll take Home Depot, even at 38 times earnings.

MANY OF THE most spectacular capital gains in the last 16-plus years have been booked on retail stocks. A $1,000 investment made in late 1974 in Wal-Mart, the Limited, or Dillard Department Stores would be worth at least $114,000 today.

Walter Loeb, a retailer turned retail analyst two decades ago, has been recommending Wal-Mart since 1974, Toys "R" Us since 1979 (a year after it emerged from bankruptcy), and Limited and Dillard since 1981. Fortunes have been made following his advice. No surprise, then, that when Loeb, 66, retired last year from Morgan Stanley, he had quite a following. He continues his trade today as publisher of the *Loeb Retail Letter*, which goes out to 250 subscribers and costs $300 per year.

Can investors still make money on retail stocks? Loeb keeps in his shirt pocket a list of 18 recently bankrupted retailers, to remind him of the dangers. But he's generally bullish on the industry. He still likes the old favorites—Limited, Dillard, Wal-Mart and Toys "R" Us, along with the Gap and Dayton Hudson. All, he explains, have increased their profitability through heavy investment in computers and inventory control systems. "Retail has become a technologically driven industry," Loeb says. Within 60 days, for example, Limited is able to design a garment in the U.S., manufacture it in Hong Kong and have it delivered to its stores.

Loeb sees another theme to carry retail stocks upward in the 1990s: the home. "I think the consumer wants to make his life more comfortable," says Loeb from his Broadway office six

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blocks north of Macy's in New York City, where he started out in the advertising department in 1951. Two-worker families move less and end up putting more money into home furnishings and home improvement. A cohort of aging empty-nesters will do the same. Hence, Home Depot, an operator of huge home improvement stores, is a Loeb favorite, notwithstanding that it is already, at a recent 50⅞, trading at 38 times earnings and 100 times its initial offering price of a decade ago.

Another company the veteran analyst likes is Pier 1 Imports, which retails rattan furniture, dishes and kitchen gadgets. Once part of Tandy Corp., Pier 1 has had disappointing earnings lately but should recover with the economy, in the second half of this year, says Loeb.

J.C. Penney, too, has discovered home fashions, elevating products such as towels from a commodity to a style item. Loeb expects Penney's home furnishings revenues to grow 77%, to $5.3 billion, by 1996.

Loeb says the mail-order business has suffered because of redundant product offerings. But he thinks a few companies—again in home furnishings—merit attention, among them Williams-Sonoma (FORBES, *Feb. 18*) and Lechters, retailers of housewares. The former has both stores and five successful catalogs. Loeb thinks the flagship Williams-Sonoma catalog is curing itself of its former repetitiveness in products. At Lechters, a New Jersey-based company that went public in 1989, earnings have risen 575% since 1985. Its stores generate $195 per square foot in annual sales.

On the horizon, Loeb is watching two retailers that are currently private but may well go public in the fairly near future. Crate & Barrel, a Chicago-based chain of 32 stores (and a catalog) that sells china, glassware and fancy culinary equipment, was started in 1962 and already has estimated sales of $150 million. Founder Gordon Segal considered taking the company public in 1981; Loeb hopes for an initial offering within the next two years. The other, Boston-based Domain, sells medium- to high-priced furniture. Domain got venture capital from Bain & Co., Chemical Bank and Harvard University. Loeb reckons these financiers may be eager to cash out and let the public in. ■

Staying home

Company	Revenues ($bil)	Revenues per square foot	Recent price	Price/ earnings
Home Depot	$3.8	$288	50⅞	38
Lechters	0.2	195	21¼	16
JC Penney	17.4	128*	55⅛	13
Pier 1 Imports	0.6	145	5¾	14
Williams-Sonoma	0.3	366*	25¼	27

*Excludes catalog sales.
Sources: Companies, Montgomery Securities.

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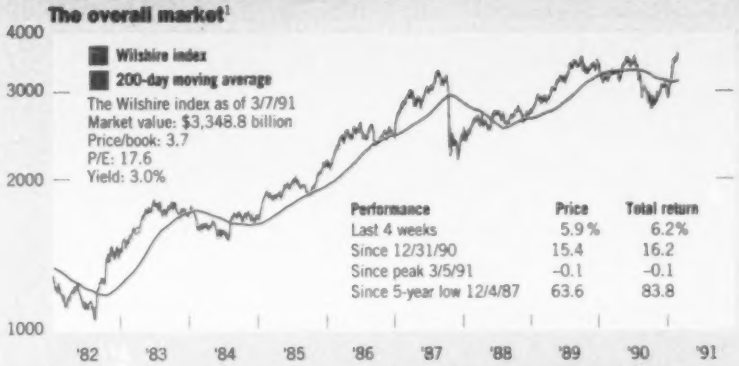
You can see it in sales of mutual funds and you can see it in small orders for stocks: The individual investor is returning to the stock market. Says William LeFevre, a market strategist at Tucker Anthony/Sutro in New York, "I see a lot of individuals buying, and the institutions are almost forced to buy, too, since they don't want to miss this rally."

Is the rally a trap? Ever willing to accommodate buying frenzies by projecting earnings gains, the analysts are full of optimism these days. The Institutional Brokers Estimate System declares that a recovery is expected in the second half of this year. The 3,000 security analysts monitored by IBES expect 1991 profits for the S&P 500 to be 9.9% higher than 1990 earnings. For 1992, analysts are projecting a further 19% gain. All this despite the still unfolding recession.

The analysts' euphoria carries over to foreign markets. Companies in Denmark and the Netherlands are expected to post the best earnings gains this year, with increases of 22% and 20%, respectively. Double-digit increases are expected for Irish and Canadian companies.

The 30 stocks in the Dow industrials have hit strong resistance at the 3000 level. But the Wilshire index of 6,000 issues and a number of other market indicators have broken through to new highs.

The overall market[1]



The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Unisys	5½	38%	NM	12,863	1.6
Amgen	129⅛	35	NM	17,541	2.1
Intergraph	25	35	20	9,563	3.6
Immunex	53	31	NM	7,470	2.9
Circuit City Stores	18⅝	28	12	4,799	1.9

The worst performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
GW Utilities	14½	-42%	8	66	5.4
Genetics Institute	40	-29	NM	5,306	1.9
USF&G	9¼	-16	NM	6,836	1.2
Alberto-Culver	29¾	-11	22	266	1.2
Ohio Casualty	40¾	-10	9	409	0.6

Closeup on the market

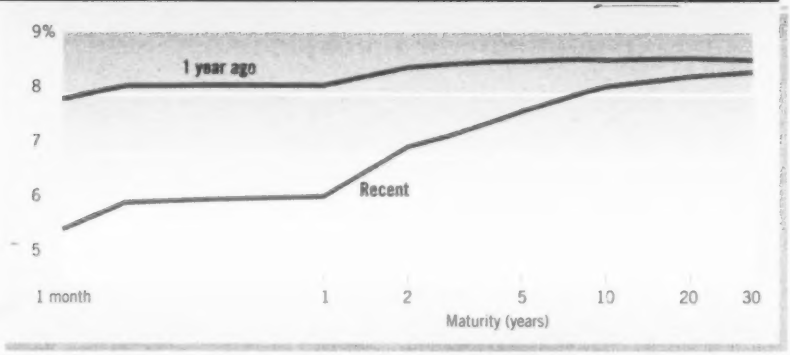
Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,579.2	3.4%
Wilshire index 6,000 stocks, equal weighted	22.3	8.8
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,963.4	2.5
S&P 500 Capitalization weighted cross section, major stocks	375.9	3.0
NYSE Capitalization weighted, all listed common stocks	205.4	3.1
Amex Capitalization weighted total return: stocks, warrants	355.3	4.0
Nasdaq Capitalization weighted, all issues except warrants	475.7	6.6
Amex international market index Capitalization weighted, 50 largest ADRs	355.3	9.1

Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	890.90	-0.1%
Institutional[5] Approximately 200 stocks with high institutional ownership	112.14	5.1
Individual[5] Approximately 200 stocks with low institutional ownership	93.60	6.1
Russell 200 index 2000 small market value stocks, capitalization weighted	167.66	7.2
Gold[6] (composite quote of 6 major dealers)	$367.30	1.3
Yen[4] (per $U.S.)	135.60	3.2
Commodity index[6] (CRB futures index, 1967=100)	220.91	4.6
Oil[6] (W Texas Intermediate)	$19.40	5.1
T bills[6] (90 days)	6.07%	14.0 basis points[7]
Broker loan rate[6]	9.00%	unchanged

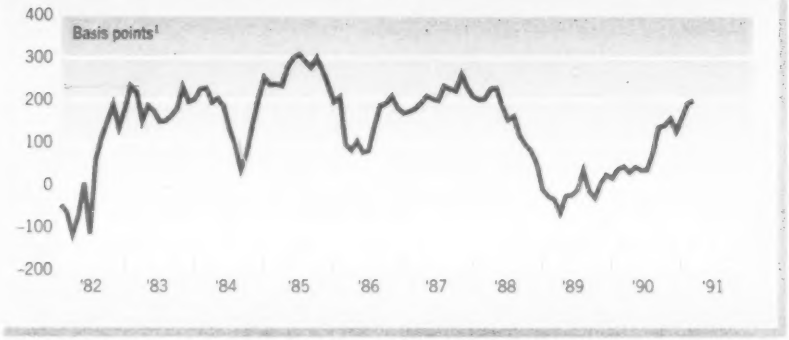
Note: All data for periods ending 3/7/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since the index was created. Stocks listed above have market capitalization of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over recent 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume during the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 3/8/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

BY ERIC S. HARDY

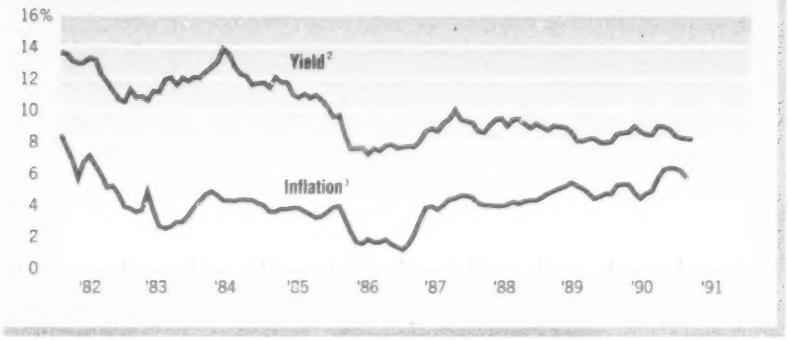
Yield curve



30-year rate minus 1-year rate



Yield vs. inflation



Spread over Treasurys

Security	Basis points[1]
AA corporates	84
AAA industrials	67
Ginnie Maes	82
Junk corporates[4]	909
Municipals[5]	-103

Total returns

Security	1 year[6]	3 years[6,7]
AAA corporates	11.1%	9.3%
Ginnie Maes[5]	13.5	11.0
Junk corporates[4]	13.8	15.8
Municipals[5]	9.2	8.6
Treasury bonds	11.8	9.0

Note: Except where footnoted, all information provided by Berkeley, Calif.-based Barra, a financial consulting firm. [1]A basis point is equal to one-hundredth of a percentage point. [2]Yield on ten-year Treasurys. [3]The trailing 12-month increase in the Consumer Price Index, through 1/31/91. [4]Source: First Boston. [5]Source: Shearson Lehman Brothers. [6]Data through 2/28/91. [7]Three-year total return, annualized.

Both long-term and short-term interest rates won't move much lower, according to Robert Giordano, who follows the credit markets for Goldman, Sachs. He predicts that three- and six-month Treasury bill rates, currently around 6%, will hover around 5.5% to 6% during the year.

And what of the so-called credit crunch? Don't put stock in it, says Giordano. He concedes that financing is difficult for certain projects, but more because bankers have become prudent and discriminating than because they want to contract total lending volume. Another point: Interest rates are falling, while in bona fide credit crunches, such as during 1970 and 1974, competition among borrowers for scarce loanable funds drove interest rates higher. "Banks are finally applying risk-return analysis to their loan portfolios," he says. "Lenders realize the last thing they need on their books is the mortgage on another empty office building."

The general decline in interest rates has been accompanied by a narrowing of credit spreads. Witness: The spread in yields between Treasurys and high-quality corporates is "narrower than usual at this stage of a business cycle," says Giordano. A more dramatic example of the same phenomenon: The spread between Treasurys and low-quality corporates is also narrowing, as seen in the sharp rally in junk bond prices in the past 2 months. Indeed, the total return (interest plus price changes) on junk bonds during the past 12 months is almost 3 percentage points better than the total return on high-quality corporate bonds.

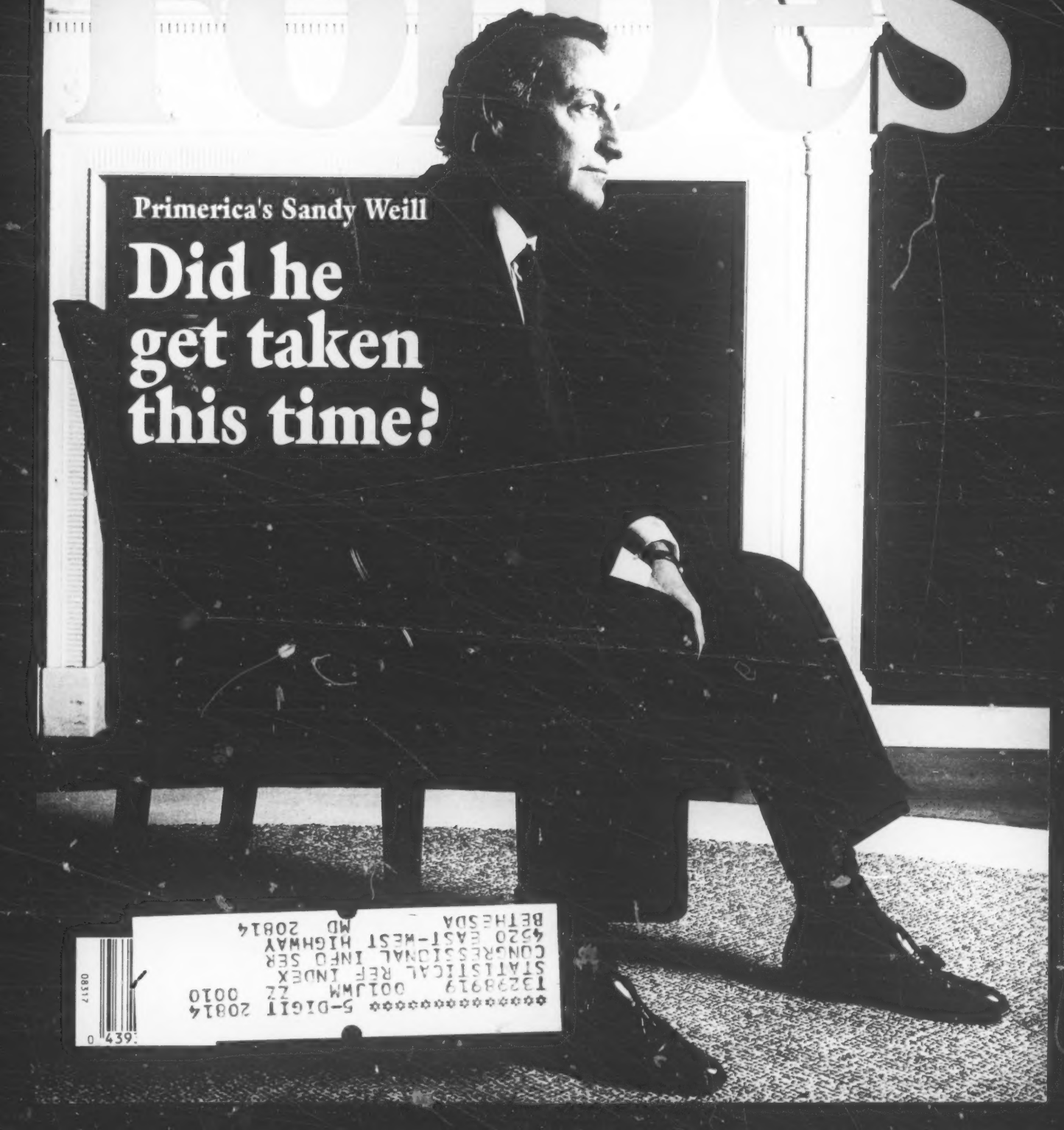
What about convertible bonds? "They are better values now than they've been in over two years," says Andrew Davis of PaineWebber. He points out that since late 1990 the yield sacrifice in convertible bonds—what the holder gives up in current yield in order to get a play on the underlying stock—has declined sharply. One convertible that Davis likes is the Wainoco Oil 7¾s of 2014, currently trading at $915. It is convertible into 114.3 shares of Wainoco common, recently worth about $700.

Has John Templeton lost his touch?

Martin Mayer: don't save the big banks

April 15, 1991 Four Dollars

Forbes



Primerica's Sandy Weill

Did he get taken this time?

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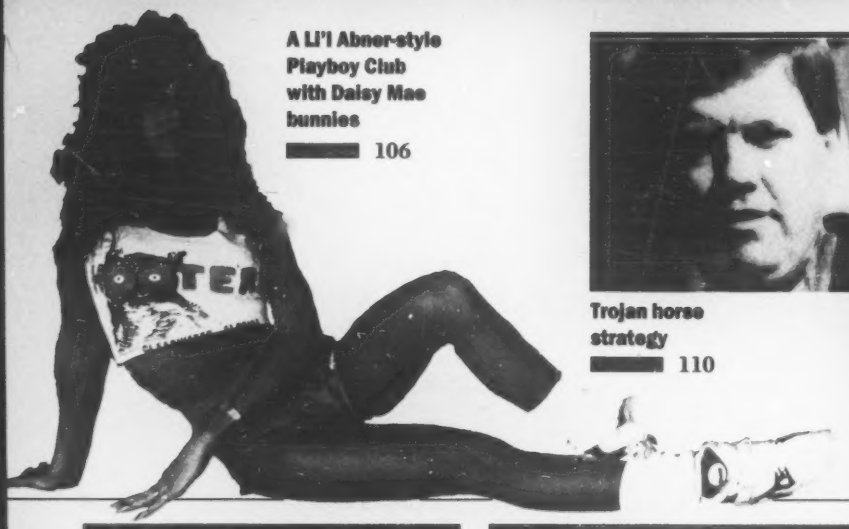

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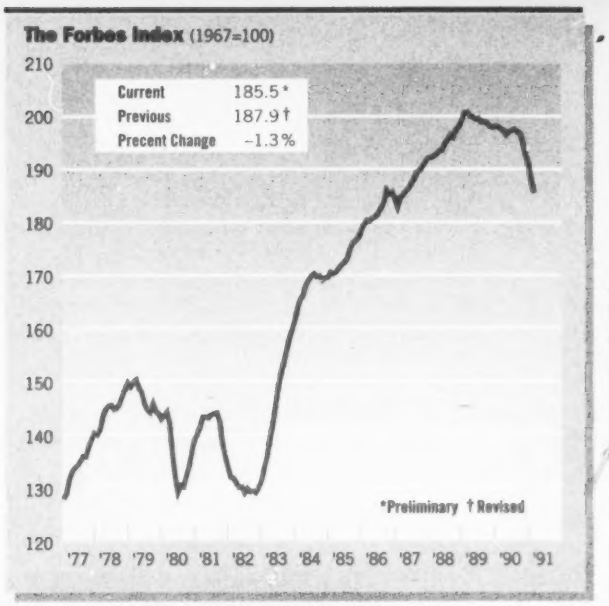
THE FORBES INDEX

BY TIMOTHY DODMAN



The economy is showing a glimmer of a recovery. February retail sales were up 0.8%, while housing starts gained 14.3%. Exports rose 3.6% in January, but the trade deficit increased 11.5%. Inflation could be another problem. Although the overall Consumer Price Index was up just 0.2% in February, the "core" inflation rate (the CPI less food and energy costs) rose 0.7%. The cost of services has also been rising at a fast clip. The services component of the Consumer Price Index is up 6.3% over the last 12 months, versus a 5.3% increase for the overall index.

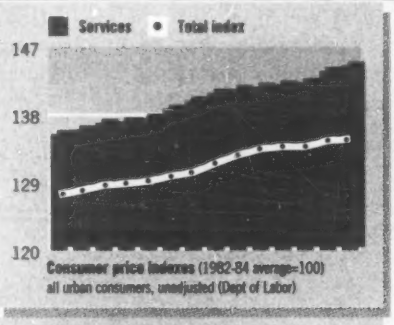
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	9.0%
Auto sales year to date vs 1990[1]	Ward's Automotive	-17.6%
Index of leading indicators Jan vs Dec	Dept of Commerce	-0.4%
Trade balance 12 months ended Jan 1991	Dept of Commerce	-$97 bil
All-commodity producer price index Feb vs Jan[2]	Dept of Labor	0.0%
GNP 4th quarter vs. 3rd—annualized growth	Dept of Commerce	-2.0%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	5.0%

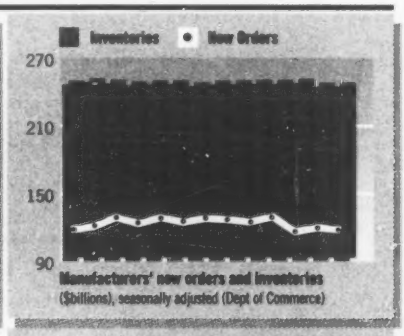
[1] U.S.-based manufacturers, excludes imports, as of 3/20/91.
[2] Wholesale goods. [3] January 1991.

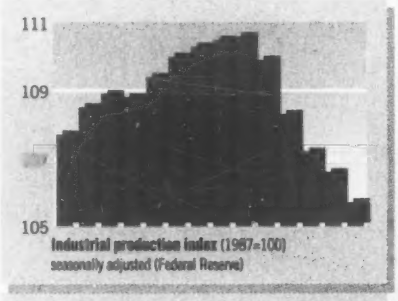
Index components

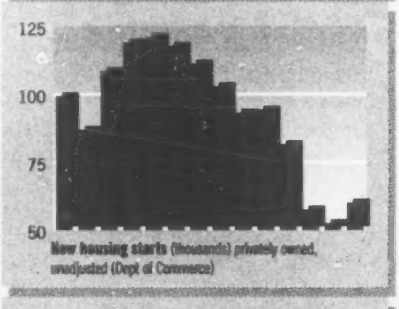
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

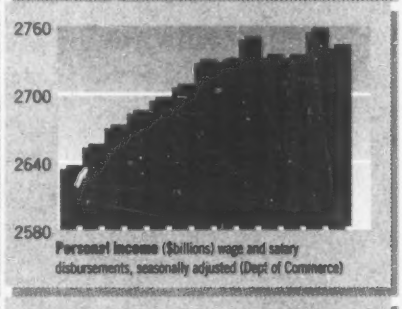
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

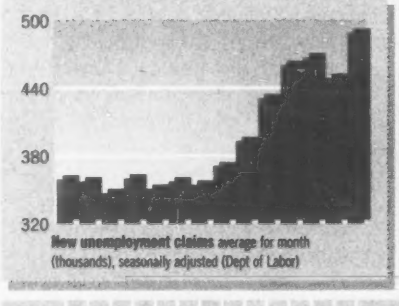


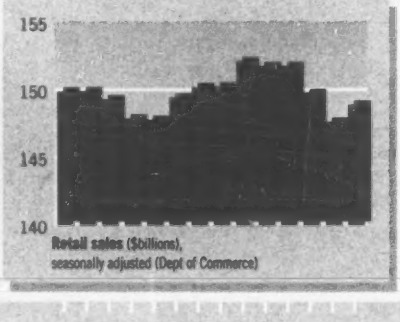


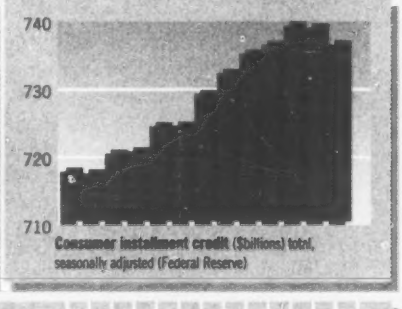












J F M A M J J A S O N D J F J F M A M J J A S O N D J F J F M A M J J A S O N D J F

The merger wave has not ended in the pharmaceutical business. The implications aren't necessarily bullish for everyone.

An industry top?

By Howard Rudnitsky

THE PAST TWO YEARS have witnessed a half-dozen large pharmaceutical industry mergers and major marketing alliances, including Bristol-Myers/Squibb, Marion/Merrell Dow, SmithKline/Beecham and Rhone-Poulenc/Rorer. In takeovers, American Home Products bought A.H. Robins and Roche acquired a controlling interest in Genentech. The consolidation trend is not over. By some drug industry analysts' reckoning, at the end of the decade a third of today's 20 largest U.S. drug companies will have merged, bought or become niche players.

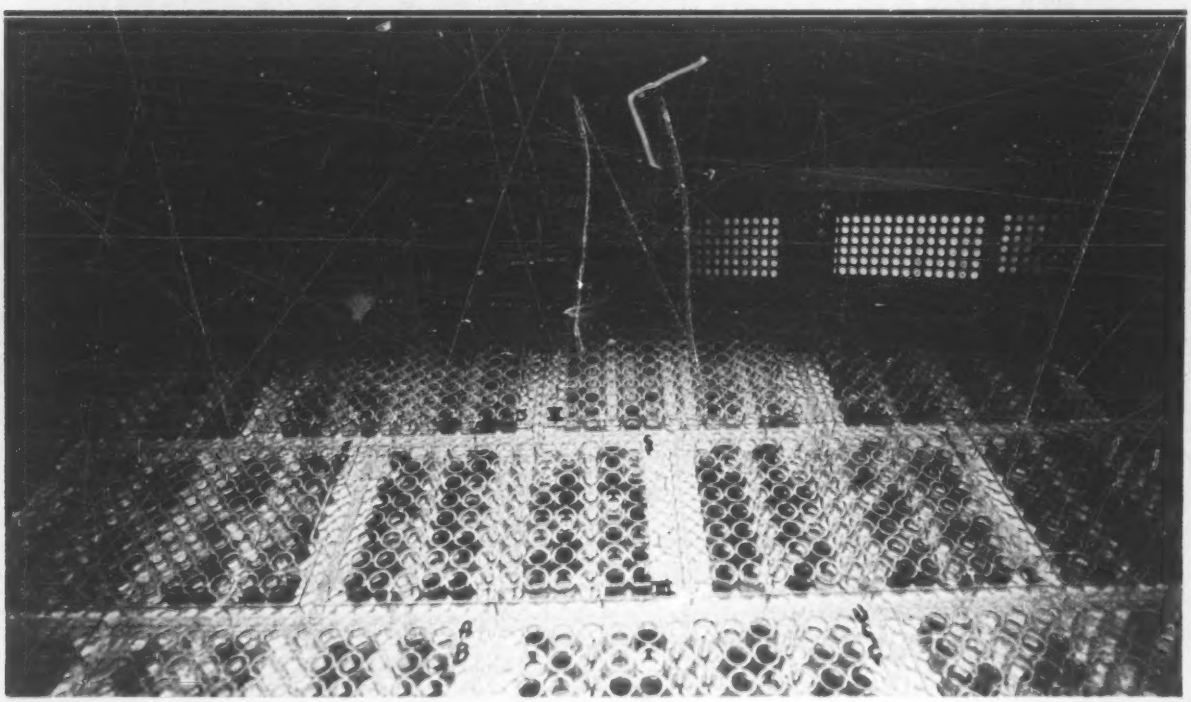
Potentially vulnerable are drug companies with strong cash flows and modest debt, but whose bestselling drugs are coming off patent when the costs of launching new drugs are sky-high, and whose new-product pipelines are average at best.

Consider SmithKline Beecham. Before the merger, SmithKline Beckman ran into trouble when its lucrative ulcer drug, Tagamet, got hit with competition from drugs like Glaxo's Zantac and Merck's Pepcid. Tagamet accounted for nearly one-half of Smith-Kline Beckman's earnings in 1988, and its U.S. patent expires in 1994. Without big new drugs at hand to replace Tagamet, SmithKline Beckman got gobbled up by Britain's Beecham in 1989.

SmithKline may not be an exceptional case. In five years, says Wedbush Morgan Securities drug analyst David Saks, drugs that currently account for about $10 billion of the industry's $38 billion in sales will be coming off patent. These drugs will include Marion Merrell Dow's Cardizem, Bristol-Myers Squibb's Capoten and Eli Lilly's Ceclor.

As a result, companies like Marion Merrell Dow, American Home Products, Syntex, Warner-Lambert and Upjohn could either suffer SmithKline's fate or have to acquire other companies to broaden their drug product lines. Among the handful of potential buyers could be a large European drug company wanting to establish a major presence in the U.S.

According to Paul Brooke, Morgan Stanley's highly regarded health care analyst, "The single most fundamental change shaping the industry is the acceleration of the rate of erosion of older products." The lead time between the appearance of a pioneering drug and another one to compete against it is dwindling to as little as three years, compared with five to seven years a decade ago.



Bristol-Myers Squibb

Drug testing at Bristol-Myers Squibb lab in Wallingford, Conn.

Finding ways to spread the high cost of drug research across a global sales base.

Faced with these shrinking product life cycles, firms must try to get as many new drugs onto the market as soon as they can. Yet it now costs $231 million (including failures and lost opportunity costs) to bring a new commercial drug to market.

The Pharmaceutical Manufacturers Association expects its members' R&D spending to rise 13.6% this year, to over $9 billion. And sales and marketing costs have been climbing by about 15% annually (to $10 billion, about 25% of sales, last year) with only a moderate letup expected.

With the development and approval of new drugs taking so long—over ten years—it becomes harder for smaller firms to wait out the lengthy testing and FDA review process unless they have other drugs to fall back on.

To compete effectively against giant European drug companies with a U.S. presence, like SmithKline Beecham, Glaxo, Hoechst, Bayer and Ciba-Geigy, U.S. drug companies will have to spend ever larger sums on R&D, spreading the cost over a large global sales base. Eastman Kodak found this out the expensive way. Kodak paid over $5 billion to acquire Sterling Drug in 1988. But despite a research and development budget of $250 million, 15% of revenues, without a large overseas presence Sterling couldn't compete worldwide.

So in January Kodak decided to have Sterling Drug join forces with France's Sanofi to obtain greater international marketing penetration for Sterling and a doubling of R&D budgets. Even so, it will take some time for Kodak to reap any meaningful returns on its Sterling investment.

While their costs of drug discovery continue to rise, the drugmakers' prices are expected to come under pressure, especially in the U.S. market. This would be unprecedented in an industry that enjoys not only tremendous pricing power but which has also streamlined operations—witness average gross margins of nearly 70% today, up from 55% in 1980. In the 1980s drug prices rose much faster than the Consumer Price Index, partly because of the growing number of retirees in funded benefit plans and more complex, expensive drugs coming on the market.

Increasingly powerful managed health care groups are trying to compress those ballooning prices. Last fall Congress ignored drug industry objections and passed legislation enabling states, under the Medicaid program, to obtain price discounts on $3.5 billion of drugs dispensed annually. Under the law, starting this year, states can demand the large discounts already provided to other big customers like the U.S. government and private groups like Health Maintenance Organizations. Medicaid accounts for about 10% of the drug industry's domestic revenues. Some analysts estimate the new law could cost the industry up to 1% to 2% this year in earnings growth.

A potentially more ominous cloud on the pricing horizon: Managed health care firms in the private sector are just starting to look at the cost of outpatient drugs, which account for 75% of drug revenues. The accelera-

Merck points the way

THE DRUG business is one of the key industries in which U.S. companies are more than holding their ground against the Japanese. Total share of the U.S. market held by Japan's drug firms: 3%.

On the other hand, foreign drug companies are making inroads into Japan's highly lucrative $30-billion-a-year prescription drug market. Morgan Stanley's Hiroshi Nakagawa figures the aggregate market share for the top 30 foreign drug companies (more than a third American) doing business in Japan will grow to close to 30% in the second half of the 1990s.

Many foreign drug companies originally joined with Japanese firms to gain access to local marketing and distribution networks. Now the foreigners are terminating the partnerships and becoming powerful competitors.

Among the more successful foreign drug companies in Japan is Merck, which in the early Eighties acquired a majority stake in a Japanese pharmaceutical firm. Merck's estimated Japanese sales last year were $750 million, making it the eleventh-ranking drug company in Japan.

Japan's per capita consumption of prescription drugs is two to three times that of the U.S.' Japan spends 6% of its GNP on health care (versus 11% to 12% in the U.S.), according to the U.S. Pharmaceutical Manufacturers Association. But 30% of Japan's health care bill is spent on drugs (versus 7% in the U.S.). Once every two years the government reduces drug prices. But costs remain high. One reason: Japanese doctors get a cut of whatever prescription drug sales they generate. Thus a patient may get five to six different prescriptions a visit.

Nakagawa doubts this cozy system will last indefinitely. He predicts "severe international competition and the rationalization of the medical system," which will lead to mergers, and possibly acquisitions of drug firms by large Japanese pharmaceutical houses.

Does that mean major acquisitions of U.S. firms by the Japanese? For now, probably not. P. Reed Maurer, who represents the U.S. Pharmaceutical Manufacturers Association in Japan, says Japanese firms will concentrate on building U.S. market share gradually while looking for market niches. Most likely acquisition targets: biotech firms and companies with unique drug delivery systems. —H.R.

New drug approvals: more critical than ever for drug companies

Company	1990 sales worldwide ($bil)	1990 sales total U.S. ($bil)	% U.S. ethical sales off patent*	EPS 1990	EPS % change vs 1989	Price/earnings ratio	Price recent	Price 52-week high	Price 52-week low
American Home Products	$6.8	$4.6	87%	$3.92	10.7%	14	56⅜	59⅝	43
Bristol-Myers Squibb	10.3	7.0	26	3.33	132.9†	23	76⅞	78⅝	51
Glaxo Holdings	5.4	2.1	20	2.02	23.2	19	38	40¼	24½
Eli Lilly	5.2	3.3	44	3.90	21.9	19	75¾	90⅜	61⅛
Marion Merrell Dow	2.5	1.8	100	1.72	20.3‡	22	38½	39⅝	21
Merck	7.7	4.1	20	4.56	20.1	23	103¾	109	68⅛
Pfizer	6.4	3.5	78	4.77	18.1	22	104	109	55
Schering-Plough	3.3	1.9	66	2.50	13.6	20	49⅛	52¼	38⅜
SmithKline Beecham	8.7	3.9	74	3.95	12.0‡	15	58	62	33¾
Syntex	1.7	1.2	90	3.50	29.6	22	76¾	78½	48¾
Upjohn	3.0	1.8	91	2.48	42.5	19	46⅞	48	33
Warner-Lambert	4.7	2.4	100	3.61	18.4	20	73	82¼	50½

*Percent U.S. ethical drug sales off patent 1987-94 versus 1989 U.S. ethical drug sales only. These figures supplied by David Saks of Wedbush Morgan Securities.
†Results benefited from 1989 merger. ‡Pro forma basis.

Drug company earnings gains are strong across the board. But some companies facing patent expirations in the U.S. will find future gains tougher to come by unless they win approval for major new drugs.

tion of drug utilization reviews by third-party insurance reimbursement managers over the next several years, say some analysts, will prove more of a threat to drug company profit margins than Medicaid discount pricing.

In a few years managed care service operators like HMOs and mail order firms will implement sophisticated drug reviews in an attempt to slow rising drug costs. To drug companies' dismay, the HMOs are increasingly using drug formularies, which typically allow only one drug to be reimbursed in each category. These operators will generate enough buying volume to obtain discounts even on drugs that are patented.

Already the largest mail order drug company, Fair Lawn, N.J.-based Medco Containment Services *(see story, p. 60)*, recently signed up a half-dozen drug companies in its Prescribers Choice program.

High-powered research drug companies like Pfizer and Eli Lilly still haven't signed up, however. They have that luxury because they hold many leading patented drugs and have strong reputations with physicians who prescribe their products. But others aren't as fortunate.

What of prices overseas, where big U.S. drug companies book about 40% of their sales? Tougher going here, too. According to Donaldson, Lufkin & Jenrette health care analyst Kent Blair, drug prices had been high in countries like Germany and the Netherlands. But in the last two years Germany has been cutting drug prices, and the Netherlands is likely to follow suit. France recently announced a 21% cut on four drugs, including Lilly's Prozac and Merck's Zocor. Overall, some analysts figure that by the mid-1990s the EC could reduce drug prices by as much as 15%.

A few bright spots: By consolidating their operations abroad, drug companies can make them more efficient. Also, many drug companies today have modest amounts of debt and will be able to absorb the weaker firms. John Wilkerson, chairman of the Wilkerson Group, a New York-based health care management consulting firm, is optimistic about the industry despite the pressures. He thinks some of the old-line companies could use their financial resources to invest in or buy into the rapidly growing biotech companies—Cetus, Biogen, Immunex, British Biotechnology, Centocor. Wilkinson believes the industry is consolidating, but he thinks the consolidation will be centered on specific therapeutic categories. For example, in a major class of drugs to treat hypertension, called ACE inhibitors, Merck already controls around 45% of the market. In the diabetes area, leader Lilly would like to add to its strong product line.

And Merck's chairman, Dr. P. Roy Vagelos, is projecting a better-than-10% overall domestic market share for his company—soon, up from 8% five years ago.

What does all this mean to investors? It could mean that some companies will be taken over at a premium and thus give investors some quick profits. But, for the industry as a whole, while earnings look strong now, in five years the picture could change. Which may explain why the industry's average price/earnings ratio is just 10% higher than for the market as a whole. The market may be worried about an anticipated profit margin squeeze.

As Morgan Stanley's Paul Brooke says, "The most tangible evidence of the strategic changes that are occurring is the enormous amount of merger and acquisition activity that occurred in 1989 and 1990. Such activity is typical of an industry top." ■

Some investors go for value, some for growth. The Twentieth Century family of funds has put together an excellent record with a growth philosophy.

James Stowers III, who helps manage the group's $8 billion in equities, prefers dividend-paying issues whose price/earnings ratios are expected to increase. "We're not impressed by a stock's cheap fundamentals or low price/book ratio," says Stowers. "The only thing that impresses us is a company with accelerating earnings and sales growth. We paid 100 [times earnings] for MCI and made 6 times our money on that stock," recalls Stowers, who is always at or near 100% invested. In short, the Stowers style is to chase after stocks with a lot of momentum, an approach that works well until a bear market arrives or a favorite reports disappointing earnings. In the FORBES rating system, the Twentieth Century funds tend to get A+'s in bull markets and C's or worse in down markets.

Twentieth Century currently holds about 355 issues in six equity funds. Among them: Abbott Laboratories, PepsiCo and Wal-Mart.

Stock prices took a breather during the two weeks ended Mar. 21, with most indexes declining slightly. But the equally weighted Wilshire index, with a 1.7% gain, outperformed capitalization-weighted indexes, which were hurt by the sharp drop in IBM.

The overall market[1]

The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
US HealthCare	49⅝	22%	31	7,267	1.2
General Dynamics	29¼	21	NM	2,696	2.1
United Healthcare	37¾	19	29	7,845	1.7
Wang Labs	4	19	NM	11,369	3.7
Valhi	9½	17	15	326	1.4

The worst performing stocks

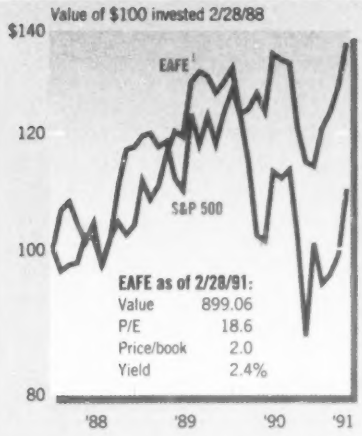
Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Chemical Waste Mgmt	18⅝	-24%	22	5,043	1.9
Laidlaw	13¼	-21	12	19,029	2.3
First Interstate Bancorp	28⅝	-20	4	1,708	0.5
Security Pacific	24⅛	-18	23	8,112	0.9
Applied Materials	26⅞	-18	17	1,940	1.1

Closeup on the market

Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,497.0	-2.3%
Wilshire index 6,000 stocks, equal weighted	22.5	1.7
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,855.5	-3.6
S&P 500 Capitalization weighted cross section, major stocks	366.6	-2.5
NYSE Capitalization weighted, all listed common stocks	200.8	-2.2
Amex Capitalization weighted total return: stocks, warrants	353.2	-0.6
Nasdaq Capitalization weighted, all issues except warrants	464.6	-2.3
Amex international market index Capitalization weighted, 50 largest ADRs	322.28	-2.4
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	867.50	-2.6%
Institutional[5] Approximately 200 stocks with high institutional ownership	116.80	-4.1
Individual[5] Approximately 200 stocks with low institutional ownership	99.46	-2.1
Russell 2000 index 2000 small market value stocks, capitalization weighted	165.78	-1.1
Gold[6] (composite quote of 6 major dealers)	$362.90	-1.2
Yen[6] (per $U.S.)	136.80	0.9
Commodity index[6] (CRB futures index, 1967=100)	219.86	-0.5
Oil[6] (W Texas Intermediate)	$20.15	3.9
T bills[6] (90 days)	5.85%	-22.0 basis points[7]
Broker loan rate[6]	8.00%	-100.0 basis points[7]

Note: All data for periods ending 3/21/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since the index was created. Stocks listed above have market capitalization of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over recent 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume during the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 3/22/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

Foreign vs. U.S. markets



Developed markets

Market	Total return[2] 3 months	12 months	P/E
Sweden	28%	4%	11
Singapore[3]	24	-2	19
Japan	21	-12	35
Hong Kong	20	23	11
Spain	18	13	10
Norway	-5	-13	11
Finland	3	-28	9
New Zealand	5	-18	7
Germany	6	-1	14
Netherlands	7	11	17

Emerging markets

	Total return[2] 3 months	12 months	P/E
Region			
Latin America	18%	-4%	NA
Asia	5	-52	NA
Country			
Venezuela	59	814	37
Chile	48	53	9
Brazil	35	-51	8
Turkey	-29	3	32
India	-25	22	19
Korea	-9	-30	21

Hong Kong, Singapore and Japan are the foreign markets with the best prospects for the remainder of 1991, in the view of Thomas Robinson, chief international equity strategist at Merrill Lynch. He bases his view on an expectation that the Japanese economy will be stimulated by falling interest rates. Robinson forecasts that over the next few years Japan's economy will grow at a 4.5% real rate, twice what he expects for the U.S. This helps justify the steep 35 price/earnings multiple of Japanese stocks.

The standout market in the table *(upper right)* is a very illiquid and volatile one—what is euphemistically known as an emerging market. That is Venezuela's stock market, whose combined capitalization of $10 billion is just equal to that of H.J. Heinz Co. Over the last 12 months the tiny Caracas bourse was up 814% (dividends included) in response to the Venezuelan government's economic reforms. Manuel Perez Dubuc, a broker with Mercado de Capitales, Citibank's arm in Caracas, says that although there are still a handful of good buys left among Venezuelan industrial stocks, "the *gran fiesta* is over."

Who's hot

Company/country	Business	Price	3-month price change	P/E
Ercros/Spain	chemicals	11½	82%	4
Nissan Motor Iberica/Spain	automotive	6⅛	67	9
Cosmo Oil/Japan	energy	6½	65	50
Saab-Scania/Sweden	automotive	50⅞	63	18
Mitsubishi Petrochemical/Japan	chemicals	8¼	62	16

Who's not

Company/country	Business	Price	3-month price change	P/E
Groupe Victoire/France	insurance	222¼	-34%	8
Free States Cons/S Africa	gold mining	6⅝	-28	4
Tootal/UK	textiles & apparel	1¼	-23	9
Herpener/Germany	multicompany	253⅜	-20	13
Asko Dt Kaufhaus/Germany	merchandising	516⅜	-19	17

Cheap foreign stocks

Company/country	Business	Price	Earnings	P/E
Total Francaise Petroles/France	energy	129¼	$21.20	6
Banco Santander/Spain	banking	54⅛	5.38	10
Guinness/UK	beverages	15⅜	1.09	14
Hitachi/Japan	electronics	9¾	0.50	20
Komatsu/Japan	machinery	7⅜	0.24	31

High-yielding foreign stocks

Company/country	Business	Price	Yield	P/E
Standard Chartered/UK	banking	5½	16.2%	10
Anglo American/S Africa	gold mining	29⅞	13.0	12
Strockland Trust/Australia	real estate	1⅝	11.5	11
DAF/Netherlands	machinery	13⅜	10.9	10
Iberduero/Spain	utility	7½	7.9	10

Note: Data for period ending 2/28/91. Selected stocks have a market capitalization of a least $300 million. [1]EAFE is a price return index of European, Australian, New Zealand and Far Eastern stocks converted into U.S. dollars. [2]Performance numbers reflect both local price change and currency fluctuation. Dividends are reinvested after subtracting foreign withholding tax. [3]Includes Malaysia. NA: Not available. Principal source: Morgan Stanley Capital International Perspective. Emerging markets data provided by International Finance Corporation for period ending 1/31/91.

My advice to investors frightened by the IBM earnings drop and other bits of bad news: Buy on weakness.

The bull lives

BY CHARLES E. BABIN

Charles E. Babin is managing director of BRS Capital Management, Inc., an investment management firm, in Boston.

PEOPLE SEEM to like worry stories, so it wasn't surprising that the financial press abounded with articles predicting a stock market collapse as a consequence of Iraq's invasion of Kuwait. And it all seemed to add up, given the threat of conflagration in Arabia and a moribund economy at home. As it turned out, those worry stories were quite a buy signal so far as the stock market was concerned.

Equities, as measured by the S&P Composite, took off, from a low of 295 on Oct. 11, 1990 to an alltime high of 369 on Feb. 19—a tremendous 25% gain. As the Feb. 26 *Wall Street Journal* put it, "Rarely have so many professionals been so wrong." Two weeks later the S&P set another record, closing at 376.72.

But the worrywarts aren't dismayed. Today's fear is that the stock market is overvalued. After all, if equities were vulnerable at low levels last fall, when the bad news had yet to break, then they must really be top-heavy now that the red ink is flowing.

Again the gloomsters are wrong.

Consider that the S&P stood at 337 on Aug. 25, 1987, just prior to the October crash. So, at its peak, the market was only about 12% higher than its level of 3½ years ago—hardly an impressive performance, especially when you take into account the 17% inflation that piled up over the same period. In my opinion, we have been riding a bear—not a bull—market for 43 months now. Had investors simply rolled funds over in riskless Treasurys they would have done as well as an S&P index fund.

Other valuation techniques reinforce the view that the stock market may not be ahead of itself. Think of the stock market as the price of the economy. In this sense, it is useful to evaluate the stock market's capitalization (i.e., all listed NYSE shares multiplied by their respective prices) relative to GNP.

The table presents a snapshot of this price/economy ratio at five-year intervals since 1960. In estimating year-end 1990's figure, I have assumed zero nominal GNP growth for the quarter just ended, putting the ratio at roughly 51%—below its central tendency (53%). Interestingly, three of the seven years shown in the table were periods when calendar-year average real GNP growth was negative (1970, 1975 and 1980). Excluding these recession years, the market's average P/E would have been even higher (57.5%). From this perspective, assuming even the experts' conservative GNP forecasts through 1992 come to pass, the odds favor stocks over cash equivalents.

Why, given these facts and figures, did so many pros miss the early 1991 rally? They failed to pay attention to the reliable historical linkage between the credit and equity markets.

Go back to what I reported in "Don't panic" (FORBES, *Sept. 3, 1990*) and reiterated in "T bills and tea leaves" *(Oct. 1, 1990)*: Credit market behavior in the aftermath of Saddam's mugging of Kuwait was at odds with the bears' argument that runaway oil prices would fan inflation and devastate both the economy and equity markets. Even in the face of volatile oil prices and a slumping economy, T bill rates continued to decline. If history was any guide, it was clear that this improved credit market environment had increased the odds that the stock market would recoup its postinvasion losses—precisely what happened.

It is important to note that interest rates have continued to slide in 1991. From a high of slightly over 9% (March 1989), three-month bill yields have dropped below 6%. So what's the message for nervous Nellies? The credit markets are signaling an economic recovery with modest inflation and invigorated corporate earnings—the stuff bull markets are made of. While there will be ups and downs, on balance the surprises over the next year or so should be on the plus side. Now is not the time to shun equity investments. ■

The market's price-to-economy ratio

	Stock market capitalization* ($bil)	Gross national product† ($bil)	Stock market as fraction of GNP
1990	$2,813.8	$5,518.9‡	51.1%‡
1985	1,368.3	4,144.6	47.1
1980	1,242.8	2,813.7	42.7
1975	885.1	1,704.8	40.2
1970	612.5	1,053.1	58.2
1965	537.5	743.4	72.3
1960	387.9	515.8	59.6
Average			53.0%

*All NYSE-listed shares at year-end. †Year-end GNP measured in current dollars, as interpolated from QIV and QI levels. ‡Estimate.

Is the stock market overvalued? Not necessarily. Relative to the economy, the market's capitalization at year-end 1990 was normal.

Make-or-break time for Steve Jobs' troubled Next, Inc.

Why Buick is hot again

Annual Directory of America's Largest Corporations

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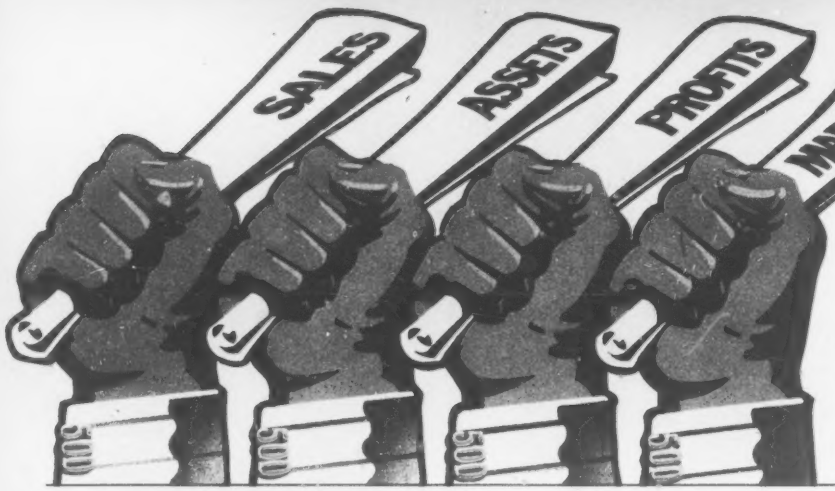

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"With all thy getting get understanding"

Fact and Comment

By Malcolm S. Forbes Jr., *Editor-in-Chief*

DON'T GUT GATT AND FREE TRADE WITH MEXICO

THERE'S A BILL before Congress whose passage would materially benefit the U.S. economy as well as the economies of Latin America and the rest of the world. The legislation would give the Administration the authority to continue negotiations to reduce trade barriers worldwide (the so-called Uruguay Round) and to conduct free-trade talks with Mexico. Congress would then vote on any resultant agreements on an up-or-down basis without the right to add crippling amendments. This authority has been routinely granted to Presidents since WWII.

Photos by Pictorial Parade

Democrats are turning their backs on their past free-trade Presidents.

But the forces of protection are mounting a fervent campaign to bar giving President Bush this "fast-track" authority; without it, both sets of trade talks will be effectively killed.

Unions fear competition from low-cost labor. Protected industries don't want to lose their special privileges. Certain environmentalists don't like the economic growth; to them progress is synonymous with pollution.

These regiments of reaction couldn't be more wrong. Protection hurts the economy. Look at that most protected economy of all, the Soviet Union. Look at what happened when we went isolationist on trade in 1929-30: global depression. Pollution? Compare the foul earth and air of Eastern Europe with those of Western Europe. As people do better, they want a better environment.

A free-trade pact with Mexico would lead to an explosion of trade between our two countries. Mexico has already started reducing trade barriers. Result: In five years our exports to Mexico have soared from $12 billion a year to $28 billion. An agreement with Mexico would inevitably pull in other Latin and Caribbean nations, starting with Venezuela. A booming North and South America would help beat back protectionists elsewhere, as Europeans and Asians vie to get a piece of these vibrant markets.

The Bush Administration must intervene, forcefully, to save these two sets of negotiations. Success on both fronts would promote democratic values and economic progress. It would enormously enhance our security without adding a penny to the defense budget.

IT'S TIME

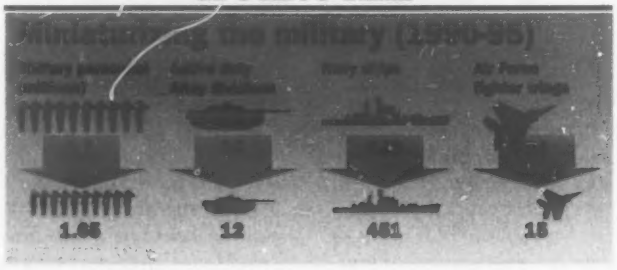
for the Federal Reserve to cut interest rates. The economy is still sluggish and barometers of future inflation are all negative. Commodity prices are down, particularly gold. The dollar is strong.

Let's hope embattled Chairman Greenspan can muster the strength to get his central bank to lead the market instead of lagging it.

A firm Fed push-down would be timely and stimulating.

IT'S ALSO TIME

to reexamine Pentagon proposals to reduce our Armed Forces by 20% over the next five years.



These projections were set before the onset of the Gulf war and the rise of repression in the Soviet Union. We still live in a very uncertain world. The U.S. is the only country that can effectively counteract substantive threats to freedom and international lawlessness. If we assume the Soviet Union will peacefully evolve into a Western-style democracy and that regional convulsions won't threaten

our vital interests, then these force reductions make sense. But is it wise to slash back on the basis of these benign hopes? Should the United States strip itself of the capability of coping effectively with future Saddams?

Most disturbing are the proposed reductions in our air forces. The Gulf war dramatically demonstrated how vital air power has become.

At the least, we should replace all the ordnance we used up in the Gulf war. Prudence would also dictate that we forge ahead in advancing Stealth technology. The Air Force's Stealth bomber, the F-117A, made up 2.5% of the Gulf coalition's aircraft, yet it inflicted over 33% of the air damage against Iraq. We should certainly get a Navy version of the F-117A. The Navy's misbegotten attempt at developing its own Stealth plane, the A-12 project, shouldn't deter us from trying again.

And we must more rapidly develop and deploy antimissile systems.

The prospective cutbacks are a potentially lethal example of a penny-wise, pound-foolish policy.

WISHFUL THINKING

D. Simon/Gamma Liaison

WITH OUR BLESSING, Syria is doubling the number of troops stationed in the Gulf. American diplomats are applauding this contribution to the Pan-Arab peace force in that region.

Have we forgotten who runs Syria? Hafez al-Assad's appetite for butchering his own people and trying to subvert or conquer his neighbors is second only to that of Saddam Hussein. This, after all, is the man who several years ago ordered army artillery to reduce to rubble a Syrian city that he felt was too sympathetic to the opposition, in the process killing 15,000 people. His troops continue to occupy contiguous Lebanon. His appetite for arms remains unsated.

How secure will oil-rich Gulf states be with a Syrian army in their midst?

GREAT MAN

CHARLES WOHLSTETTER IS ONE of the most successful, forceful, unusual entrepreneurs of this century. Last month his sale of Contel to GTE was consummated. Wohlstetter launched Contel in 1961 with a handful of dollars; 30 years later GTE bought this telecommunications giant from him and 59,443 other shareholders for $6.6 billion in stock.

During his long, colorful life, Wohlstetter has been a stockbroker (he foresaw the 1929 crash but was unable to convince his skeptical employer of it; he subsequently started his own firm), screenwriter, manufacturer, viniculturalist and philanthropist. His knowledge of nonbusiness fields is wide-ranging and deep. He has a brilliant grasp of politics, economics, medicine and music. He's also pretty fierce on the golf course.

This dynamo is one of those people whose energy could almost singlehandedly pull this economy out of its slump. Those who know him are now asking what fields he will conquer next. It will be exciting to watch.

J. McMeen

Wohlstetter: This restless visionary won't stay still for long.

THRILLING—AND SOMETIMES EDUCATIONAL—ENTERTAINMENT

Longshot—by Dick Francis (G.P. Putnam's Sons, $19.95). Dick Francis, who does for horse racing what *Love Boat* did for cruise ships, once again runs the reader through a gripping mystery at breakneck speed. Francis not only gives you a good mystery for your money, but he educates you as well, in this case with Outward Bound-like discourses on survival.

Excerpt: *"There's an awful lot about first aid," Gareth said, turning pages. "How to stop wounds bleeding . . . pressure points. How to deal with poisons . . . swallow* charcoal!" *He looked up. "Do you mean it?"*

"Sure," I said. "Scrape it into water and drink it. The carbon helps take some sorts of poison harmlessly through the gut, if you're lucky."

[Gareth] went on reading. "It says here you can drink urine if you distill it. 'Urine is sterile and cannot cause diseases. Boil it and condense the steam, which will then be pure distilled water, perfectly safe to drink.' "

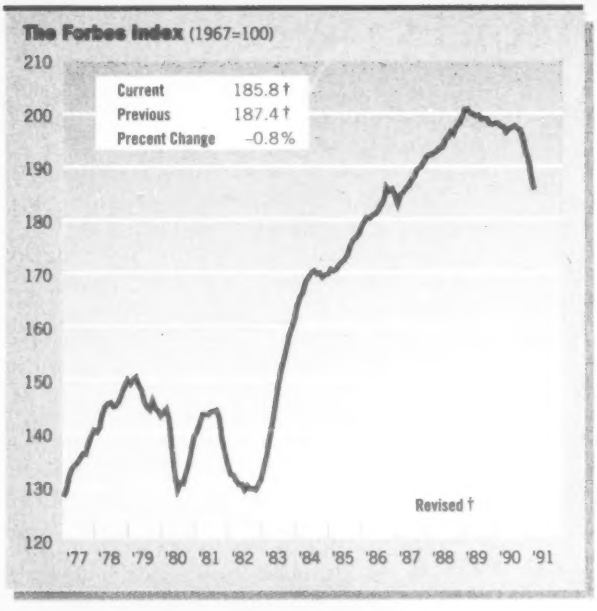
"It's true," I said smiling. "Lack of water is a terrible killer. If you've a fire but no water, you now know what to do."

Cold Fire—by Dean R. Koontz (G.P. Putnam's Sons, $22.95). If you take this to the beach this summer, be sure to splash on an extra layer of suntan lotion. Thriller-writer Koontz has spun a suspenseful yarn that will not only keep you seated in the sun but give you occasional goose bumps despite the heat. An unexpected part of the package: In his character Holly Thorne, a reporter, Koontz convincingly portrays the angst of the modern, educated, thirty-something, single, working woman.

Excerpt: *Her experiences with men were, if anything, even more disheartening than her professional experiences with interviewees of both sexes. Though she still hoped to meet the right man, get married, have children, and enjoy a fulfilling domestic life, she wondered if anyone nice, sane, intelligent, and genuinely interesting would ever enter her life. If someone miraculously crossed her path, his pleasant demeanor would no doubt prove to be a mask [for] a leering serial killer with a chainsaw fetish.*

THE FORBES INDEX

BY TIMOTHY DODMAN



Latest data show continued weakness in the economy. The unemployment rate rose to 6.8% in March as over 8.6 million U.S. workers are without jobs. New orders for durable goods—items expected to last three years or more—fell 0.3% in February. This is the third drop in durable goods orders in the last four months. With a 0.3% decline, February consumer installment credit registered its third consecutive monthly drop. Personal income rose, but only 0.1%. Still, the bad news may be abating. The Forbes Index posted its smallest decline in four months.

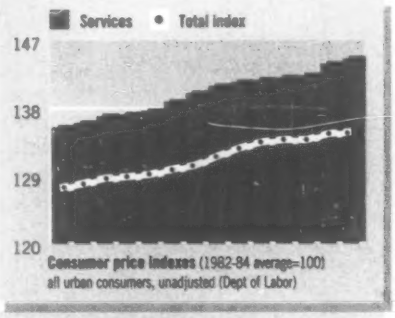
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	9.0%
Auto sales year to date vs 1990[1]	Ward's Automotive	-15.3%
Index of leading indicators Feb vs Jan	Dept of Commerce	1.1%
Trade balance 12 months ended Jan 1991	Dept of Commerce	-$97 bil
All-commodity producer price index Feb vs Jan[2]	Dept of Labor	0.0%
GNP 4th quarter vs. 3rd—annualized growth	Dept of Commerce	-1.6%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	4.0%

[1] U.S.-based manufacturers, excludes imports, as of 3/31/91.
[2] Wholesale goods. [3] February 1991.

Index components

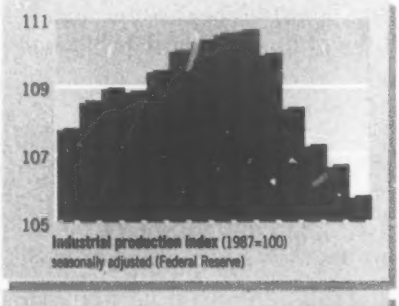
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



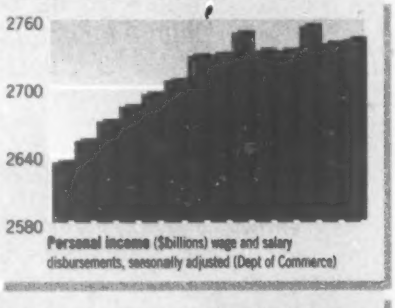
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

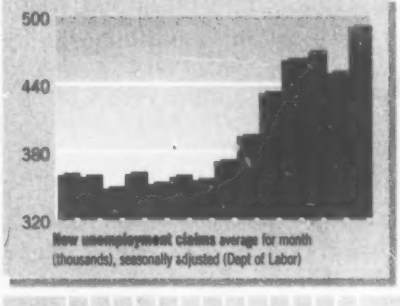


Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

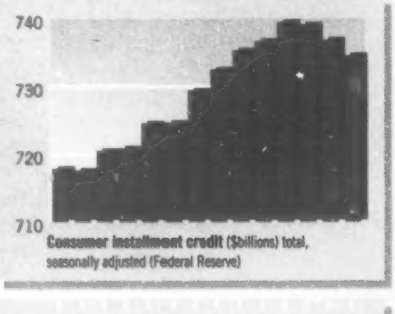


Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

J F M A M J J A S O N D J F J F M A M J J A S O N D J F J F M A M J J A S O N D J F

At least 28 states are facing horrendous budget deficits. How come municipal bond prices aren't collapsing?

Is there such a thing as municipal junk?

By William Tucker

WHICH STATE OR LOCAL government has the nation's largest outstanding debt? Is it New York State, with its gargantuan social programs and incredibly wasteful bureaucracy? Or California, with the world's eighth-largest economy?

No, it's New York City. With a general obligation debt of $13.8 billion and its bonds trading only two notches above junk, New York City would seem to be in big trouble. Municipal unions want even more, the population is overtaxed and the city is facing a $1.8 billion projected deficit for fiscal 1992. Productive citizens are taking their businesses and their fax machines and fleeing, leaving behind an ominous pool of welfare cases and government employees.

So is the municipal bond market worried? Nah. Over the past year, prices of medium-term general obligation bonds have climbed 10%.

"The size of New York City's debt does not frighten me one bit," says Corbin Marr, vice president for fixed income at Shearson Lehman Brothers. "There are very few states that have either the population or resources of New York City."

This ho-hum response is entirely typical of the municipal bond market's reaction to the fiscal crisis afflicting so many states and municipalities.

"I'm a natural pessimist, but I literally cannot think of a single circumstance in which I would be duly concerned about municipal bonds right now," says Michael Hardie, director of municipal investing at Colonial Investment Management Services of Boston. "The economics just don't worry me at all."

All this contrasts sharply with the news coming out of the state capitals and city halls. Twenty-eight states are considered to be facing budget deficits in fiscal 1992. A record seven states are on Standard & Poor's credit watch, meaning their ratings may soon be lowered. Connecticut is one of them. Its deficit is projected to be near $2 billion on a spending budget of only $6 billion, assuming the legislature does nothing to raise taxes or cut programs.

Among cities, the situation may be worse. Philadelphia has already plummeted below investment grade and is now rated CCC by Standard & Poor's. Bridgeport, Conn. is near bankruptcy and is being sued by its own state-imposed Financial Review Board to raise its taxes. New York City's bonds, although rated A- by Standard & Poor's, are actually trading one notch lower (BBB) because of the market's perception of their continuing deterioration.

So why the laid-back attitude among the experts? Municipal bond investors live with the supreme confidence that, come what may, municipal governments will always be able to raise taxes in order to pay their bills. "If somebody started talking about zero tax rates, I'd be worried," says Hardie of Colonial Investment. "Short of that, I really don't see any problems."

"Even in Philadelphia, where things have pretty much fallen apart, they still haven't missed a payment," says Kurt Larson, vice president and senior portfolio manager at IDS Financial Services in Minneapolis. "The feeling among investors is that the ability to pay is there, it's just a matter of exercising the political will to raise the money."

Some of this confidence in the political will may be misplaced.

Investors' faith in governments' taxing powers is often passed back to municipal officials as ratification of their financial policies. This tends to make governments a lot more confident that they can always get money when they need it. "Our bond sale in February was oversubscribed, even though Moody's had just lowered our bond rating," said Sally Hernandez-

These places could be overrated

State or City	Bond rating S&P	Bond rating Moody's	Debt as a % of taxable property	Debt as a % of personal income
New York City	A–	Baa1	4.7%	15.9%
Philadelphia	CCC	B	9.8	17.3
California	AAA*	Aaa	0.6	1.9
Illinois	AA+*	Aaa	2.0	2.7
Michigan	AA*	A1	0.7	1.1
Pennsylvania	AA*	A1	2.2	2.4
Rhode Island	AA*	A1	1.5	4.0
Connecticut	AA*	Aa	3.2	6.5
New York State	A	A	4.2	4.7
Massachusetts	BBB	Baa	2.8	8.1

*On credit watch.
Sources: Moody's; Standard & Poor's; Pennsylvania Economy League.

General obligation bonds are all backed by taxing power—but what if the taxpayers refuse to pay?

Pinero, New York City's Deputy Mayor for Finance & Economic Development. "I truly believe that there is still a great deal of investor confidence in the quality of New York City paper."

Most investors like to point to New York's fiscal crisis of 1975, noting that the city never defaulted on any of its bonds. (It did default on some short-term notes.)

Yet the world of municipals has changed significantly since the Tax Reform Act of 1986, and in ways that could make a difference the next time a city or state goes to the brink.

"The biggest shift has been the loss of the banks," said Hardie. "They were among the biggest holders, but the 1986 act took away their tax deductions." In 1980 commercial banks owned 43% of all municipal bonds, property/casualty companies owned 28% and individuals owned another 28%, often through mutual funds or unit investment trusts. Today the banks own only 16%, property/casualty companies 17% and individuals 67%.

As a result, the banks—which played such a large role in rescuing New York City in 1975—will not be available for arm-twisting this time around. "Big banks played a tremendous role in helping New York City through its crisis," says Andrew Rowley, a managing director at Morgan Stanley. "Now most of New York City's paper is held by mutual funds whose main responsibility is to their investors." If the investors start to redeem, the funds have no choice but to dump their bonds. Significantly, most of these big holders—the Franklin funds of San Mateo, Calif., the Nuveen funds of Chicago and the Fidelity funds of Boston—are based outside of the problem cities and, unlike the banks, have no particular local loyalties.

Bond insurance—the latest source of sleep-at-night security—may not be all that invulnerable either.

In 1990, 26% of the $130 billion in new municipal issues carried bond insurance, which raises rating to AAA. But some skeptics are questioning just how reliable this insurance can be. "We're in completely uncharted territory here," said Mark Cohen of Fitch Investors Services. "There is $450 billion in principal and interest on the books of the insurance companies and nobody has ever tested their ability to pay off. I can see the insurers handling one municipal default, but I can't picture them tackling two."

Taking all this together, one gets the feeling that municipal bondholders and the folks who advise them are being a little bit complacent.

"In a state like Connecticut, there's an obvious solution to budget problems," said Steven Gold of the Center for the Study of the States, in Albany. "The state can impose an income tax and probably will. But New York State and New York City are virtually taxed out. There just isn't any way that more tax revenues can be squeezed out of these people without leading to a flight or a revolt."

State and local governments may seem invulnerable now, but if defaults begin to happen or if investors panic, it will be awfully difficult to bring the slide to a halt. The federal government would have to step in, but it might not be willing to make all the investors whole. And with roughly $800 billion in munis outstanding, the costs of a potential bailout would be staggering. ■

WHO CREATED THESE PERSONAL COMPUTER FIRSTS?

1. The first mass-produced, mass-marketed PC
2. The first portable PC
3. The first laptop PC
4. The first highly-integrated PC compatible with software included
5. The first Micro Channel™ compatible PC
6. The first handwriting recognition pad
7. The first PC mini-towers
8. The first *home* PC compatible with integrated hardware and software

Micro Channel/TM IBM Corp.

The Forbes 500s

Sales	166
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Annual Directory

Making the 500s

Sales		
1980	999	Square D
1990	1,515	Boatmen's Bancshares
Net profits		
1980	52.6	Consolidated Papers
1990	67.0	Wilmington Trust
Assets		
1980	1,588	Kidde
1990	2,693	Odgen
Market value		
1980	485	Southland
1990	1,072	Bethlehem Steel

All figures are in millions of dollars.

The minimum cutoffs and last-ranked firms now and a decade ago.

PUBLISHING OF LISTS ranking big companies by size has become a rite of spring, and rightly so. Americans are obsessed with competition in the marketplace. What is the biggest outfit? The most profitable? The fastest growing? Which are the winners and which the losers? These lists keep score, some better than others.

Since 1969 the Forbes 500s Annual Directory has been ranking America's largest corporations four different ways: by sales, profits, assets and market value. We do this because we feel that no single yardstick does justice to the question of size. In terms of sales, Super Food Services, a Dayton, Ohio grocery wholesaler, is a giant, but it is puny by any other measure. If ranked on assets alone, important manufacturers would be squeezed out by medium-size savings and loans. A list that looked only at profits would exclude several major corporations that lost money in 1990, such as General Dynamics and General Motors. A market value list leaves off corporations such as Unisys, LTV, Manville, Navistar International and Owens-Corning, all big companies and all of them included on one or more of our other three rankings.

There are other ways to wrestle with the size problem. One approach is to use sales alone as the criterion, and then arbitrarily rule that certain kinds of companies can't be on the list. This is what *Fortune* magazine does in its list of the 500 largest U.S. industrial corporations. As a result, its list, which considers only sales, excludes such giants as AT&T, UAL, McDonald's, Microsoft, Con Edison and Walt Disney, none of which is deemed to be "industrial." On the other hand, apparel maker Liz Claiborne is "industrial" and makes *Fortune*'s list. But Nike, with greater sales as well as profits, doesn't. Among media concerns, Gannett is on but CBS is not. And so on.

With much of corporate America excluded, the "industrial" list reaches down into middle-market companies. The company ranked 500 on the *Fortune* list, Guilford Mills, has revenues of only $546 million, and doesn't qualify for any of our lists. Our sales list starts at revenues of $1.5 billion for the number 500 company.

Some companies are big in terms of sales, profits, assets *and* market value. The largest of these are shown on page 164 as the Super 50. On this basis, General Electric is this year's heavyweight champ by dint of ranking fifth in sales, third in profits, fourth in assets and fourth in market value. Last year's Super 50 title holder, General Motors, was knocked out of contention when it reported almost $2 billion in losses for 1990.

On page 165 we provide a quick look at bigness from a global perspective. With the cooperation of Raye Dube at Morgan Stanley Capital International Perspective, we put together

How the numbers are calculated

To qualify for a Forbes 500 listing, a company must be publicly traded as of Mar. 22, 1991. It must be U.S.-based and one of the 500 largest firms by sales, net profits, assets or market value. If a corporation is consolidated by another Forbes 500 company, FORBES ranks only the parent.

Fiscal year-end results are used for companies with fiscal years ending in December and January and, where available, February. For all other firms, sales, profits and cash flow are for the latest 12 months. Market value is based on the stock price on Mar. 22.

Operating revenues are used for sales. For banks this includes gross interest income plus other operating income. Net profit excludes extraordinary items but includes earnings from discontinued operations. Cash flow is net profits plus depreciation and amortization.

The Super 50

Rank 1990	Rank 1989	Company/headquarters	Where they rank: Sales	Profits	Assets	Market Value	Sales ($mil)	Profits ($mil)	Assets ($mil)	Market Value ($mil)
1	2	General Electric/Fairfield, CT	5	3	4	4	58,414	4,303.0	153,884	57,844
2	3	Exxon/Irving, TX	2	2	13	1	105,519	5,010.0	87,707	72,084
3	4	IBM/Armonk, NY	4	1	14	3	69,018	6,020.0	87,568	63,784
4	6	Philip Morris Cos/New York, NY	8	4	31	2	44,323	3,540.0	46,569	64,357
5	7	American Tel & Tel/New York, NY	13	5	35	9	37,285	2,735.0	43,775	35,923
6	8	Mobil/Fairfax, VA	6	8	36	16	57,819	1,929.0	41,665	25,821
7	43	Chevron/San Francisco, CA	11	7	42	13	38,607	2,157.0	35,089	27,367
8	9	El du Pont de Nemours/Wilmington, DE	10	6	41	18	39,709	2,310.0	38,128	24,449
9	5	Ford Motor/Dearborn, MI	3	39	3	35	97,650	860.1	173,611	15,425
10	12	Amoco/Chicago, IL	17	9	52	14	28,010	1,913.0	32,209	27,232
11	10	Sears, Roebuck/Chicago, IL	7	37	10	45	55,972	902.0	96,253	11,195
12	16	American Intl Group/New York, NY	38	17	22	24	15,702	1,442.3	58,143	19,227
13	13	GTE/Stamford, CT	31	15	46	19	18,374	1,541.0	33,709	21,295
14	15	Texaco/White Plains, NY	9	16	70	31	40,899	1,450.0	25,975	16,588
15	21	Federal Natl Mortgage/Washington, DC	53	27	6	43	12,720	1,173.4	133,113	11,687
16	14	BellSouth/Atlanta, GA	42	14	57	17	14,345	1,631.5	30,207	25,545
17	19	Procter & Gamble/Cincinnati, OH	19	12	88	11	25,848	1,733.0	20,607	28,523
18	18	Atlantic Richfield/Los Angeles, CA	33	13	76	20	18,008	1,688.0	23,864	21,196
19	17	Dow Chemical/Midland, MI	26	19	75	40	19,773	1,384.0	23,953	12,892
20	22	Bell Atlantic/Philadelphia, PA	58	21	62	23	12,298	1,312.5	27,999	19,660
21	35	Boeing/Seattle, WA	18	18	113	32	27,595	1,385.0	14,591	16,409
22	28	BankAmerica/San Francisco, CA	57	38	7	81	12,323	877.6	110,728	7,201
23	29	PepsiCo/Purchase, NY	35	31	102	15	17,803	1,076.9	17,143	25,930
24	23	ITT/New York, NY	24	35	30	95	20,604	958.0	49,043	6,194
25	24	Nynex/New York, NY	46	36	67	37	13,592	949.4	26,651	14,407
26	39	Wal-Mart Stores/Bentonville, AR	14	23	152	5	32,742	1,291.0	11,389	42,413
27	34	Eastman Kodak/Rochester, NY	29	54	74	39	18,908	703.0	24,121	13,995
28	11	American Express/New York, NY	20	133	5	41	24,332	338.0	137,682	12,889
29	■	JP Morgan & Co/New York, NY	78	48	11	67	10,465	775.0	93,103	8,354
30	30	Ameritech/Chicago, IL	77	24	86	27	10,663	1,253.8	21,715	17,810
31	32	US West/Englewood, CO	87	28	65	36	9,957	1,198.9	27,050	15,408
32	26	Loews/New York, NY	62	44	44	79	11,799	804.7	34,736	7,315
33	27	Aetna Life & Cas/Hartford, CT	28	60	12	133	19,021	614.1	89,301	4,900
34	31	Pacific Telesis/San Francisco, CA	89	32	87	30	9,716	1,030.0	21,581	16,877
35	36	Southwestern Bell/St Louis, MO	93	30	83	33	9,113	1,101.4	22,195	16,232
36	25	USX/Pittsburgh, PA	27	43	101	74	19,326	818.0	17,268	7,699
37	42	Minn Mining & Mfg/St Paul, MN	50	22	156	25	13,021	1,308.0	11,079	19,180
38	■	Kmart/Troy, MI	15	50	119	72	32,339	756.2	13,899	7,994
39	38	Pacific G&E/San Francisco, CA	90	33	85	48	9,470	987.2	21,958	10,833
40	44	United Technologies/Hartford, CT	23	51	107	107	21,442	750.6	15,918	5,694
41	20	Citicorp/New York, NY	12	141	1	139	38,385	318.0	216,986	4,711
42	■	Bristol-Myers Squibb/New York, NY	80	11	197	7	10,300	1,748.0	9,215	40,009
43	49	Hewlett-Packard/Palo Alto, CA	47	49	155	44	13,538	771.0	11,126	11,682
44	■	Johnson & Johnson/New Brunswick, NJ	70	28	190	10	11,232	1,143.0	9,506	30,446
45	50	Coca-Cola/Atlanta, GA	81	20	193	8	10,236	1,381.9	9,278	36,085
46	48	Southern Co/Atlanta, GA	110	62	81	62	7,975	604.0	22,866	8,838
47	41	Tenneco/Houston, TX	41	69	93	116	14,511	561.0	19,034	5,367
48	■	International Paper/Purchase, NY	51	66	121	89	12,960	569.0	13,669	6,569
49	40	JC Penney/Dallas, TX	36	84	134	99	16,365	577.0	12,325	6,018
50	■	SCEcorp/Rosemead, CA	124	47	99	64	7,199	786.4	17,477	8,549

■ Not on Super 50 list in 1989.

The grand totals

Category	1990 total	Change over 1989	5-year growth rate
Sales 500	$3.5 trillion	7.8%	6.0%
Profits 500	171 billion	-5.9	6.5
Assets 500	7.4 trillion	4.8	7.7
Market Value 500	2.6 trillion	10.1	9.9
Total employment of 500s companies	20.6 million	1.4	-0.6

For the second consecutive year, employment among Forbes 500s companies climbed. Total 1990 revenues of the Sales 500 list are 7.8% larger than in 1989. But total profits were off again for the second year in a row.

lists showing the ten biggest companies in the world as measured by each of our four criteria. The highest-ranked U.S. corporations are IBM, which places second on an international profits list with earnings of $6 billion, and Exxon, which ranks second on a market value list with $72 billion. Earnings of $6.5 billion make Royal Dutch/Shell Group the world's most profitable company. Four American firms ranked in the top ten in both the profits and market value tables. No U.S. company qualifies for a position on the Assets Ten.

As a group, the 776 companies that make one or more of our 500s lists employ 20.6 million workers, have sales of $3.7 trillion, have a market value of $2.7 trillion, control a combined $7.8 trillion in assets and earned $154 billion last year. The Forbes 500s rankings, starting with sales, begin on page 168.

The biggest companies in the world

Rank	Company	Country	$ million
Sales			
1	Sumitomo Corp	Japan	$166,369
2	C Itoh & Co Ltd	Japan	154,590
3	Mitsui & Co Ltd	Japan	143,625
4	Marubeni Corp	Japan	138,151
5	Mitsubishi Corp	Japan	136,369
6	General Motors	USA	124,705
7	Nissho Iwai Corp	Japan	113,686
8	Royal Dutch/Shell Group	Netherlands/UK	106,479
9	Exxon	USA	105,519
10	Ford Motor	USA	97,650
Profits			
1	Royal Dutch/Shell Group	Netherlands/UK	$6,533
2	IBM	USA	6,020
3	Exxon	USA	5,010
4	General Electric	USA	4,303
5	Philip Morris Cos	USA	3,540
6	Daimler-Benz Group	Germany	3,420*
7	British Telecommunications Plc	UK	3,285
8	Toyota Motor Corp	Japan	3,257
9	British Petroleum Co Plc	UK	3,176
10	Fiat Group	Italy	2,897

Rank	Company	Country	$ million
Assets			
1	Dai-Ichi Kangyo Bank Ltd	Japan	$472,223
2	Sumitomo Bank Ltd	Japan	470,699
3	Fuji Bank Ltd	Japan	469,086
4	Sanwa Bank Ltd	Japan	450,180
5	Mitsubishi Bank Ltd	Japan	410,815
6	Industrial Bank of Japan Ltd	Japan	331,326
7	Tokai Bank Ltd	Japan	285,843
8	Barclays Plc	UK	241,210
9	Mitsui Taiyo Kobe Bank Ltd	Japan	237,981
10	Bank of Tokyo Ltd	Japan	234,771
Market Value			
1	Nippon Telegraph & Telephone	Japan	$120,091
2	Exxon	USA	72,084
3	Royal Dutch/Shell Group	Netherlands/UK	70,938
4	Philip Morris Cos	USA	64,357
5	IBM	USA	63,784
6	Industrial Bank of Japan Ltd	Japan	58,920
7	General Electric	USA	57,844
8	Fuji Bank Ltd	Japan	55,927
9	Sumitomo Bank Ltd	Japan	53,568
10	Dai-Ichi Kangyo Bank Ltd	Japan	52,513

*1990 result.
Sources: Morgan Stanley Capital International Perspective; Forbes.

America's biggest corporations were hard-pressed to maintain their profit margins in 1990 but aggregate revenues of the 500 companies with the most sales climbed nearly 8%.

DESPITE A SLOWDOWN in the second half of 1990, the Forbes Sales 500 companies grossed total revenues of almost $3.5 trillion. This was a 7.8% increase over 1989.

Sales at General Motors, for all its problems still the world's largest automaker, came to just under $125 billion, off 2% from its record $127 billion in 1989. At Chrysler sales fell 12%, to $31 billion. Ford eked out a 1.6% sales gain, to $98 billion, but slipped from second to third place on our list, behind Exxon. Benefiting from the uptick in world oil prices, Exxon sold over $105 billion of its products worldwide. In fact, all five oil companies ranked in the top 20 position showed significant sales increases, ranging from 15% (Mobil) to 31% (Chevron).

Rank 1990	Rank 1989	Company	Sales ($mil)	% change
1	1	General Motors	124,705	-1.8
2	3	Exxon	105,519	21.8
3	2	Ford Motor	97,650	1.6
4	4	IBM	69,018	10.1
5	5	General Electric	58,414	7.0

Many big banks, insurance companies such as Travelers Corp., Transamerica, USF&G and Reliance Group, and brokerage houses such as Merrill Lynch and Salomon Inc. suffered drops in revenues. An exception was Citicorp, which managed a 1% increase.

The companies with the greatest revenue gains were both recently merged drug companies. Revenues at Rhone-Poulenc Rorer are 147% higher than they were for Rorer Group last year. Sales rose 128% at Marion Merrell Dow, an outfit created by the December 1989 merger of Marion Laboratories with Dow Chemical's Merrell Dow Pharmaceuticals subsidiary.

Sales list newcomer Oryx Energy, the U.S.' rapidly expanding natural gas and crude oil producer, turned in a 70% increase in revenues. Sales climbed 62% at JWP Inc., a technical services company, while recent acquisitions helped Crown Cork & Seal produce a 61% gain. Intelligent Electronics, which distributes microcomputer systems and trades over-the-counter, just makes it onto this year's Sales 500 list at number 496, with a 58% sales increase, to $1.5 billion.

The laggards? In the midst of a restructuring, Control Data's sales dropped more than 42%, to $1.7 billion. CalFed has been hurt by the slump in commercial real estate; its revenues are off by 30%. Last year Ames Department Stores was a big winner—sales jumped 136%. But Ames bungled its 1988 acquisition of Zayre's discount stores and filed for Chapter 11 bankruptcy protection last spring. It is now number 236 on the Sales 500 rankings, down from 166 last year.

Other dropouts from our 1990 list include Fund American Cos., First Executive Corp, Interco, Zenith Electronics, Great American Bank, the Washington Post Co. and First City Bancorporation of Texas.

Winners

Rank 1990	Rank 1989	Company	Sales ($mil)	% change
301	■	Rhone-Poulenc Rorer	2,917	146.8
355	■	Marion Merrell Dow	2,462	128.4
419	■	Oryx Energy	1,940	70.2
307	436	JWP	2,827	62.3
280	413	Crown Cork & Seal	3,072	60.9

■ Not on 500 list in 1989.

Losers

Rank 1990	Rank 1989	Company	Sales ($mil)	% change
465	286	Control Data	1,691	-42.4
393	289	CalFed	2,184	-30.2
236	166	Ames Dept Stores	3,753	-29.1
455	344	Amoco	1,735	-28.4
370	258	Columbia Gas System	2,358	-26.4

SALES

THE FORBES 500

Rank 1990	Rank 1989	Company	Sales ($mil)	% change
6	7	Mobil	57,819	15.1
7	6	Sears, Roebuck	55,972	4.0
8	8	Philip Morris Cos	44,323	13.6
9	13	Texaco	40,899	26.2
10	11	El du Pont	39,709	12.8
11	15	Chevron	38,607	31.1
12	9	Citicorp	38,385	1.1
13	10	American Tel & Tel	37,285	3.2
14	16	Wal-Mart Stores	32,742	26.3
15	14	Kmart	32,339	8.5
16	12	Chrysler	30,620	-12.3
17	18	Amoco	28,010	16.9
18	21	Boeing	27,595	36.1
19	19	Procter & Gamble	25,848	14.3
20	17	American Express	24,332	-2.9
21	20	American Stores	22,156	0.7
22	22	Occidental Petroleum	21,694	8.1
23	25	United Technologies	21,442	9.8
24	23	ITT	20,604	2.7
25	26	Kroger	20,261	6.1
26	29	Dow Chemical	19,773	12.3
27	30	USX	19,326	10.2
28	24	Aetna Life & Cas	19,121	-3.3
29	27	Eastman Kodak	18,908	2.8
30	37	ConAgra	18,696	29.2
31	31	GTE	18,374	5.5
32	33	Cigna	18,164	16.0
33	34	Atlantic Richfield	18,008	17.3
34	28	Xerox	17,973	1.9
35	35	PepsiCo	17,803	16.8
36	32	JC Penney	16,365	1.6
37	36	McDonnell Douglas	16,255	11.4
38	38	American Intl Group	15,702	11.0
39	■	Safeway	14,874	3.8
40	42	Dayton Hudson	14,739	8.0
41	39	Tenneco	14,511	3.0
42	40	BellSouth	14,345	2.5
43	■	RJR Nabisco	13,879	8.7
44	41	Chase Manhattan	13,672	-1.7
45	48	Phillips Petroleum	13,603	9.8
46	43	Nynex	13,592	2.9
47	49	Hewlett-Packard	13,538	9.7
48	75	Enron	13,165	33.9
49	44	Digital Equipment	13,072	1.0
50	51	Minn Mining & Mfg	13,021	8.6
51	57	International Paper	12,960	13.9
52	45	Westinghouse	12,915	0.6
53	54	Fed Natl Mortgage	12,720	10.1
54	68	Georgia-Pacific	12,665	21.3
55	46	Rockwell Intl	12,432	-0.8
56	52	Allied-Signal	12,343	3.4
57	56	BankAmerica	12,323	8.2
58	55	Bell Atlantic	12,298	7.4
59	53	Sara Lee	12,184	3.7
60	50	Fleming Cos	11,933	-0.9
61	76	Sun Co	11,812	20.5
62	61	Loews	11,799	10.6
63	65	AMR	11,720	11.8
64	102	Time Warner	11,517	50.7
65	62	Super Valu Stores	11,515	4.7
66	60	Caterpillar	11,436	2.8
67	59	Great A&P Tea	11,391	2.2
68	47	Travelers	11,314	-9.7
69	64	Goodyear	11,273	3.7
70	78	Johnson & Johnson	11,232	15.1
71	58	Merrill Lynch	11,213	-1.1
72	77	UAL	11,037	12.7
73	71	Unocal	10,945	8.8
74	80	Motorola	10,885	13.1
75	84	Anheuser-Busch Cos	10,744	13.3
76	63	Alcoa	10,710	-1.8
77	67	Ameritech	10,663	4.4
78	66	JP Morgan & Co	10,465	0.7
79	73	Security Pacific	10,327	3.1
80	85	Bristol-Myers Squibb	10,300	12.1
81	87	Coca-Cola	10,236	14.2
82	72	General Dynamics	10,173	1.3
83	70	Unisys	10,111	0.1
84	81	May Dept Stores	10,066	4.8
85	83	Winn-Dixie Stores	9,963	5.0
86	74	Lockheed	9,958	0.7
87	79	US West	9,957	2.8
88	88	Woolworth	9,789	11.0
89	82	Pacific Telesis	9,716	1.3
90	93	Pacific G&E	9,470	10.3
91	96	Coastal Corp	9,381	13.4
92	89	Raytheon	9,268	5.4
93	91	Southwestern Bell	9,113	4.4
94	69	Weyerhaeuser	9,024	-10.7
95	92	Monsanto	8,995	3.6
96	86	Salomon	8,946	-0.6
97	99	Ashland Oil	8,731	8.5
98	94	Delta Air Lines	8,707	1.6
99	105	Melville	8,687	15.0
100	98	Lincoln National	8,443	4.5
101	100	Archer Daniels	8,388	8.3
102	106	United Telecom	8,345	10.5
103	104	McKesson	8,337	10.0
104	115	American Brands	8,270	13.8
105	111	Albertson's	8,219	10.7
106	101	CSX	8,205	5.9
107	113	TRW	8,169	11.3
108	112	Baxter International	8,100	9.5
109	97	Chemical Banking	7,987	-2.6
110	108	Southern Co	7,975	6.4
111	116	Bankers Trust NY	7,919	9.1
112	110	Textron	7,918	6.4
113	114	Sysco	7,863	7.3
114	117	Emerson Electric	7,728	10.4
115	95	Mfrs Hanover	7,695	-7.3
116	122	Federal Express	7,688	13.6
117	131	MCI Communications	7,680	18.7
118	109	Deere & Co	7,678	2.5
119	127	Merck	7,672	17.1
120	107	Marriott	7,646	1.5
121	103	Borden	7,633	0.5
122	90	Union Carbide	7,621	-0.4
123	125	Fluor	7,328	8.8
124	118	SCEcorp	7,199	4.3
125	119	Ralston Purina	7,177	4.6
126	135	General Mills	7,032	13.8
127	130	Union Pacific	6,964	7.3
128	157	Amerada Hess	6,948	24.3
129	155	Halliburton	6,926	22.4
130	123	Pacific Enterprises	6,923	2.4
131	124	Amer Home Prods	6,775	0.4
132	139	WR Grace	6,754	10.5
133	121	Transamerica	6,703	-1.9
134	136	NCNB	6,682	8.6
135	142	McDonald's	6,640	9.5
136	137	Whirlpool	6,623	5.3
137	129	Texas Instruments	6,567	0.7
138	133	USAir Group	6,559	4.9
139	144	HJ Heinz	6,503	8.0
140	164	Lyondell Petrochem	6,495	21.2
141	151	Kimberly-Clark	6,407	11.8
142	154	Pfizer	6,406	13.0
143	145	Campbell Soup	6,325	5.4
144	143	Honeywell	6,309	4.1
145	134	FPL Group	6,289	1.8
146	146	NCR	6,285	5.5
147	126	Continental Airlines	6,231	-6.8
148	175	Cooper Industries	6,222	21.3
149	158	Walgreen	6,201	11.6
150	153	Primerica	6,194	8.8
151	162	Abbott Laboratories	6,159	14.5
152	132	LTV	6,138	-3.5
153	148	Martin Marietta	6,126	5.7
154	182	Walt Disney	6,048	25.0
155	194	Waste Management	6,034	35.3
156	138	Reynolds Metals	6,022	-2.0
157	150	PPG Industries	6,021	5.0
158	128	First Interstate Bncp	5,934	-9.4
159	147	Morgan Stanley	5,870	0.7
160	156	Wells Fargo	5,843	3.4
161	176	CPC International	5,781	13.3
162	165	Stone Container	5,756	8.0
163	163	Apple Computer	5,741	6.9
164	160	Consolidated Edison	5,739	3.4
165	140	Continental Corp	5,706	-6.1
166	159	First Chicago	5,693	2.6
167	180	Colgate-Palmolive	5,691	12.9
168	173	Price Co	5,632	9.3
169	120	Bank of Boston	5,598	-17.3
170	170	Wetterau	5,588	7.7

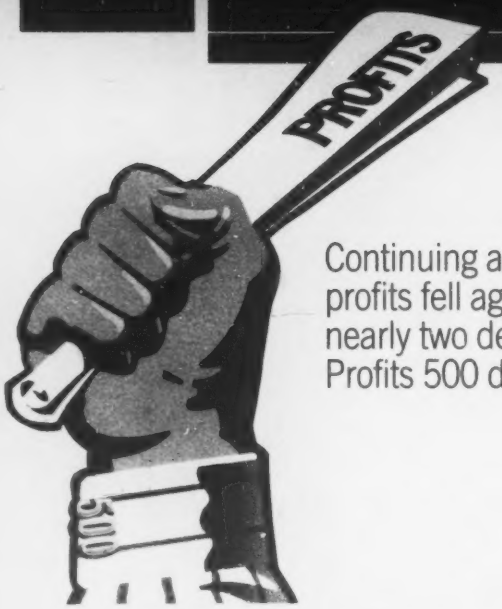
■ Not on 500 list in 1989.

Rank 1990	Rank 1989	Company	Sales ($mil)	% change
171	186	Food Lion	5,584	18.4
172	185	Toys 'R' Us	5,510	15.1
173	168	Northrop	5,490	4.6
174	141	James River Corp Va	5,416	–10.8
175	181	Capital Cities/ABC	5,386	8.6
176	179	Scott Paper	5,356	5.7
177	169	Vons Cos	5,334	2.2
178	161	Bank of New York	5,333	–3.0
179	■	C&S/Sovran	5,310	4.5
180	152	Quaker Oats	5,296	7.6
181	149	Commonwealth Ed	5,262	–8.5
182	195	Humana	5,261	18.4
183	189	Limited	5,254	13.0
184	172	Dana	5,225	1.3
185	204	Eli Lilly	5,192	24.3
186	188	Kellogg	5,181	11.4
187	174	American Electric	5,167	0.5
188	177	Ryder System	5,162	1.8
189	178	Litton Industries	5,155	1.6
190	171	Champion Intl	5,090	–1.4
191	167	Bethlehem Steel	4,899	–6.7
192	190	PNC Financial	4,880	5.1
193	229	Black & Decker	4,832	51.5
194	198	Dun & Bradstreet	4,818	11.5
195	184	Pub Svc Enterprise	4,800	–0.1
196	196	HF Ahmanson	4,778	9.3
197	191	Mead	4,772	3.5
198	211	Dresser Industries	4,706	18.2
199	203	Warner-Lambert	4,687	11.7
200	192	Burlington Northern	4,674	1.5
201	200	Tandy	4,648	8.5
202	193	Norfolk Southern	4,617	1.8
203	205	Bergen Brunswig	4,610	10.8
204	213	Johnson Controls	4,582	17.7
205	183	American Cyanamid	4,570	–5.3
206	199	Texas Utilities	4,543	5.1
207	187	USF&G	4,535	–3.1
208	201	American General	4,481	6.0
209	256	Costco Wholesale	4,420	35.8
210	202	Alco Standard	4,361	3.8
211	218	Gillette	4,345	13.8
212	240	Household Intl	4,320	23.8
213	217	Chiquita Brands Intl	4,273	11.8
214	208	Chubb	4,247	5.6
215	216	Gt Western Financial	4,212	10.1
216	221	Consol Freightways	4,209	11.9
217	197	Boise Cascade	4,186	–3.5
218	219	Houston Industries	4,179	10.3
219	251	First Union	4,069	22.8
220	215	Coca-Cola Enterprises	4,034	3.9
221	220	St Paul Cos	4,005	5.7
222	■	Federal Home Loan	3,999	5.5
223	238	Grumman	3,990	13.8
224	223	Entergy	3,982	6.9
225	275	American Petrofina	3,978	31.0
226	227	Fleet/Norstar Finl	3,933	7.5
227	244	Paramount Commun	3,922	13.2
228	266	Intel	3,921	25.4
229	232	Pan Am	3,918	11.8
230	206	Inland Steel Inds	3,870	–6.7
231	285	Tyson Foods	3,826	30.3
232	304	Home Depot	3,815	38.3
233	207	Navistar Intl	3,810	–7.4
234	214	AMAX	3,788	–2.7
235	224	PacifiCorp	3,783	1.8
236	166	Ames Dept Stores	3,753	–29.1
237	222	Circle K	3,751	2.2
238	212	National Medical	3,742	–5.6
239	245	Ingersoll-Rand	3,738	8.4
240	246	FMC	3,722	9.0
241	248	Philadelphia Elec	3,705	8.8
242	209	Reliance Group	3,684	–8.2
243	272	Kerr-McGee	3,683	19.3
244	241	TW Holdings	3,682	5.6
245	228	Duke Power	3,681	1.2
246	226	Eaton	3,639	–0.9
247	243	Times Mirror	3,621	4.2
248	255	Student Loan	3,619	10.3
249	273	Dillard Dept Stores	3,606	18.3
250	293	Compaq Computer	3,599	25.1
251	225	Dominion Resources	3,533	–4.5
252	233	Greyhound Dial	3,519	–0.5
253	276	Tele-Communications	3,511	24.4
254	267	RR Donnelley & Sons	3,498	12.0
255	287	Norwest	3,482	18.9
256	237	Cummins Engine	3,462	–1.4
257	253	Avon Products	3,454	4.7
258	234	Teledyne	3,446	–2.4
259	236	Gannett	3,442	–2.2
260	252	Service Merchandise	3,435	3.9
261	254	SunTrust Banks	3,408	3.4
262	261	Banc One	3,406	7.7
263	230	Mellon Bank	3,403	–5.4
264	265	Rite Aid	3,373	7.6
265	247	Consolidated Rail	3,372	–1.1
266	257	Giant Food	3,350	3.1
267	263	Schering-Plough	3,323	5.2
268	262	Genuine Parts	3,319	5.0
269	259	Detroit Edison	3,307	3.2
270	274	Barnett Banks	3,296	8.5
271	283	CBS	3,261	10.1
272	231	Turner Corp	3,258	–8.5
273	277	MNC Financial	3,217	33.1
274	264	Masco	3,209	1.9
275	270	Hercules	3,200	3.5
276	294	Pitney Bowes	3,196	11.1
277	291	Niagara Mohawk Pwr	3,155	8.6
278	279	Owens-Corning	3,111	3.7
279	281	Transco Energy	3,081	3.1
280	413	Crown Cork & Seal	3,072	60.9
281	260	Continental Bank	3,070	–4.1
282	271	Maytag	3,057	–1.0
283	310	Browning-Ferris Inds	3,054	13.8
284	315	Harris Corp	3,054	15.0
285	280	First Fidelity Bncp	3,053	2.0
286	299	AMP	3,044	8.8
287	297	Safeco	3,043	8.4
288	290	Upjohn	3,033	4.0
289	292	Universal	3,004	3.5
290	307	Castle & Cooke	3,003	10.5
291	289	General Public Utils	2,996	2.9
292	302	General Re	2,993	8.0
293	300	Panhandle Eastern	2,988	7.5
294	288	PaineWebber Group	2,979	1.8
295	284	CMS Energy	2,977	0.5
296	313	Roadway Services	2,971	11.7
297	316	Air Prods & Chems	2,967	11.8
298	348	Engelhard	2,942	22.4
299	337	Corning	2,941	20.6
300	301	Kemper	2,929	5.6
301	■	Rhone-Poulenc Rorer	2,917	146.8
302	311	Nordstrom	2,894	8.3
303	393	NIKE	2,894	41.9
304	308	Penn Traffic	2,867	22.2
305	303	Union Camp	2,840	2.8
306	318	Lowe's Cos	2,833	6.9
307	436	JWP	2,827	62.3
308	314	Rohm & Haas	2,824	6.1
309	305	Enserch	2,815	2.7
310	250	Paccar	2,778	–21.1
311	322	Republic New York	2,772	7.7
312	331	US Shoe	2,771	11.6
313	295	Carter Hawley Hale	2,765	–1.6
314	390	Sun Microsystems	2,763	34.0
315	347	Geo A Hormel	2,762	14.6
316	319	Provident Life & Acc	2,751	4.3
317	323	Central & So West	2,744	7.7
318	363	Shawmut National	2,741	–9.2
319	341	Marsh & McLennan	2,723	12.2
320	321	Premark Intl	2,721	5.0
321	351	Baker Hughes	2,719	16.2
322	345	Hershey Foods	2,716	12.2
323	298	Consol Natural Gas	2,715	–3.1
324	278	National Intergroup	2,710	–9.9
325	394	Mapco	2,708	34.1
326	387	Diamond Shamrock	2,708	29.5
327	325	NBD Bancorp	2,688	5.8
328	324	National City	2,682	5.3
329	338	American Family	2,678	10.4
330	426	Seagate Technology	2,668	48.4
331	332	Berkshire Hathaway	2,659	7.1
332	309	Phelps Dodge	2,636	–2.4
333	386	Tyco Laboratories	2,633	28.8
334	353	Aon	2,626	13.0
335	312	Quantum Chemical	2,618	–0.7

■ Not on 500 list in 1989.

Rank 1990	Rank 1989	Company	Sales ($mil)	% change
336	333	Carolina Power & Lt	2,617	5.5
337	371	Northeast Utilities	2,616	18.6
338	326	VF	2,613	3.2
339	328	Olin	2,592	3.3
340	■	Avery Dennison	2,590	4.0
341	419	CoreStates Financial	2,584	36.8
342	330	Capital Holding	2,577	3.1
343	374	Illinois Tool Works	2,544	17.1
344	327	Armstrong World Inds	2,531	0.7
345	360	Bruno's	2,521	11.0
346	339	First Wachovia	2,519	3.5
347	334	Parker Hannifin	2,518	1.6
348	340	Ethyl	2,514	3.4
349	■	American Medical	2,507	–9.8
350	354	Midlantic	2,495	7.6
351	296	Brunswick	2,478	–12.3
352	359	Fred Meyer	2,476	8.4
353	456	EG&G	2,474	49.9
354	■	Marion Merrell Dow	2,462	128.4
355	350	Long Island Lighting	2,447	4.2
356	377	TJX Cos	2,446	13.8
357	365	Arkla	2,436	8.5
358	346	BF Goodrich	2,433	0.5
359	391	Waban	2,410	17.2
360	379	Temple-Inland	2,401	13.0
361	355	Westvaco	2,399	3.6
362	349	Pennsylvania P&L	2,389	1.4
363	342	Bear Stearns Cos	2,376	–2.1
364	368	Nash Finch	2,369	6.7
365	320	Wang Laboratories	2,369	–10.2
366	357	Centerior Energy	2,368	2.8
367	356	Mercantile Stores	2,367	2.4
368	343	Maxxam	2,361	–2.6
369	258	Columbia Gas System	2,358	–26.4
370	335	Tribune	2,353	–4.1
371	306	GlenFed	2,338	–14.4
372	383	Longs Drug Stores	2,334	10.6
373	403	Circuit City Stores	2,329	18.3
374	362	Knight-Ridder	2,305	1.6
375	210	Whitman	2,305	5.5
376	369	Yellow Freight Sys	2,302	3.7
377	364	Allegheny Power	2,298	1.8
378	282	Santa Fe Pacific	2,297	–2.4
379	396	Centex	2,289	13.3
380	367	American President	2,270	1.6
381	380	Sherwin-Williams	2,267	6.7
382	372	Manville	2,245	2.4
383	376	Ohio Edison	2,226	3.3
384	404	Sequa	2,211	12.9
385	382	Dover	2,210	4.2
386	370	Asarco	2,209	–0.1
387	416	Reader's Digest Assn	2,203	15.8
388	400	General Cinema	2,199	10.4
389	411	Hills Dept Stores	2,188	13.4
390	352	Pennzoil	2,180	9.8
391	395	Intl Multifoods	2,178	7.5
392	410	UNUM	2,170	12.2
393	269	CalFed	2,164	–30.2
394	399	Baltimore G&E	2,159	7.7
395	423	Reebok International	2,159	18.5
396	385	Amdahl	2,159	2.7
397	500	Tosco	2,158	49.8
398	441	Penn Central	2,154	24.9
399	429	Dean Foods	2,146	20.3
400	329	First Bank System	2,139	–14.5
401	407	Golden West Finl	2,127	9.6
402	384	Beverly Enterprises	2,113	0.5
403	422	Becton Dickinson	2,066	12.7
404	401	No States Power	2,065	3.8
405	389	Bally Manufacturing	2,061	4.6
406	■	Crown Central Pet	2,060	46.9
407	477	Bindley Western Inds	2,042	30.8
408	439	Smith's Food & Drug	2,031	17.3
409	397	Union Electric	2,023	0.6
410	434	Comdisco	2,015	14.6
411	454	Murphy Oil	2,013	21.8
412	378	Florida Progress	2,011	–5.6
413	446	Spiegel	1,993	17.6
414	420	PHH	1,989	6.5
415	402	Stanley Works	1,977	0.3
416	381	Itel	1,977	–6.8
417	415	Polaroid	1,972	3.5
418	406	Trinova	1,955	0.7
419	■	Oryx Energy	1,940	70.2
420	428	McGraw-Hill	1,939	8.4
421	440	WW Grainger	1,935	12.0
422	408	Geico	1,935	–0.2
423	472	Gap	1,934	21.9
424	451	US Bancorp	1,920	14.8
425	373	USG	1,915	–12.6
426	417	HomeFed	1,906	0.5
427	418	Willamette Inds	1,905	0.7
428	366	ICH	1,905	–14.9
429	414	Springs Industries	1,878	–1.6
430	450	Tandem Computers	1,873	11.7
431	476	Henley Group	1,871	19.5
432	443	Burlington Resources	1,871	9.1
433	392	Great American Mgmt	1,871	–8.6
434	427	Cyprus Minerals	1,866	4.3
435	432	Adolph Coors	1,863	5.6
436	457	New England Electric	1,855	12.9
437	462	Pittston	1,850	13.4
438	442	Williams Cos	1,822	6.1
439	464	E-Systems	1,810	11.3
440	458	KeyCorp	1,800	9.6
441	488	Morton International	1,799	20.0
442	461	Torchmark	1,796	10.0
443	398	Louisiana-Pacific	1,793	–10.8
444	444	Super Food Services	1,792	4.8
445	■	Loral	1,789	54.7
446	431	New York Times	1,777	0.4
447	409	GenCorp	1,775	–8.4
448	388	San Diego G&E	1,772	–14.9
449	424	Brown Group	1,764	–3.1
450	■	Harsco	1,760	30.2
451	425	Avnet	1,756	–2.5
452	473	Beneficial Corp	1,756	11.2
453	465	Hanover Insurance	1,749	7.8
454	447	Automatic Data	1,736	2.8
455	344	Armco	1,735	–28.4
456	437	Public Service Colo	1,734	–0.4
457	■	Liz Claiborne	1,729	22.6
458	448	Dow Jones	1,720	1.9
459	■	Society	1,719	50.9
460	475	Harnischfeger Inds	1,717	9.5
461	421	Cabot	1,714	–8.0
462	459	Natl Semiconductor	1,713	4.6
463	482	Timken	1,701	11.0
464	412	General Signal	1,695	–11.6
465	286	Control Data	1,691	–42.4
466	467	Gulf States Utils	1,691	5.2
467	484	Hannaford Bros	1,688	11.0
468	481	Arvin Industries	1,687	9.5
469	455	Union Bank	1,686	2.2
470	499	Computer Sciences	1,679	16.4
471	361	Valhi	1,671	–6.1
472	453	Sonoco Products	1,669	0.8
473	■	Foster Wheeler	1,661	33.6
474	■	Shaw Industries	1,659	31.0
475	463	Square D	1,653	1.4
476	375	Morrison Knudsen	1,653	–23.8
477	■	Echlin	1,652	12.4
478	471	National Service	1,643	3.5
479	474	Ohio Casualty	1,638	3.8
480	470	Witco	1,631	2.8
481	452	So New Eng Telecom	1,619	–3.1
482	445	Southeast Banking	1,617	–5.2
483	468	Sundstrand	1,600	0.3
484	■	Viacom	1,600	11.4
485	489	Lafarge	1,598	6.7
486	486	Pinnacle West	1,597	5.9
487	405	Freeport-McMoRan	1,581	–19.3
488	490	CBI Industries	1,576	5.4
489	■	Alltel	1,574	28.4
490	■	Ogden	1,563	14.2
491	449	Masco Industries	1,562	–7.4
492	■	Clorox	1,558	13.0
493	■	Imcera Group	1,555	33.4
494	466	Nicor	1,536	–5.3
495	■	Rubbermaid	1,534	14.1
496	■	Intelligent Electron	1,534	57.5
497	487	Rose's Stores	1,525	1.2
498	478	Nipaco Industries	1,521	–2.5
499	■	Hasbro	1,520	7.8
500	494	Boatmen's Bancshs	1,515	2.6

■ Not on 500 list in 1989.



Continuing an unhealthy trend, big-company profits fell again last year. This is the first time in nearly two decades that earnings of the Forbes Profits 500 dropped two years running.

THE BOTTOM LINE beneath these 500 bottom lines is $171 billion. Aggregrate 1990 profits for the Forbes Profits 500 companies are off 6%, from $182 billion, in 1989. And the 1989 total was off nearly 3%, from $187 billion, in 1988.

The profit picture was pretty at the very top. In 1990 IBM's net income increased 60%, to $6 billion, enough to put it in first place. Matching that in the year ahead will be difficult indeed: IBM's 1991 earnings will be severely damaged by a weak first quarter and by a writeoff of future health costs for retirees. The day IBM prepared analysts for its weak quarterly results, Wall Street marked down the company's market value by $7.3 billion.

General Motors, ranked first on last year's Profits 500 list, fell off the list entirely this year. In 1990 it had $2.1 billion in restructuring charges for North American operations and a net loss of almost $2 billion. Number 39-ranked Ford Motor, formerly ranked third, had a 78% drop in earnings. Chrysler, now ranked 495, had profits of $68 million, 81% below the previous year.

Oil companies capitalized on higher world petroleum prices in the second half of 1990. Four of the ten most profitable U.S. firms are oil companies. One year ago, only two oil outfits (Exxon and Texaco) made the top ten.

The 1989 merger of Bristol-Myers and Squibb seems to be paying off. Profits at Bristol-Myers Squibb rocketed by 134%, to over $1.7 billion. Big drugmakers Merck & Co., Johnson & Johnson and Eli Lilly all rank among the top 30. Retailers were mixed: Wal-Mart's profits rose 20% and Dayton Hudson's were flat. But Sears' profits fell 40% and J.C. Penney's 28%.

Occidental Petroleum dropped off our list. After the death of Chairman Armand Hammer in December, it began a restructuring program, and thus posted a $1.7 billion loss for 1990. Digital Equipment and General Dynamics went from the profit to the loss column. The airlines were also losers: AMR and Delta show deficits, while UAL's profits fell 71%.

Rank 1990	Rank 1989	Company	Net profits ($mil)	% change	Cash flow ($mil)	Cash flow rank 1990
1	4	IBM	6,020.0	60.2	11,323	1
2	5	Exxon	5,010.0	68.4	10,555	2
3	2	General Electric	4,303.0	9.2	6,811	3
4	6	Philip Morris Cos	3,540.0	20.2	4,907	8
5	7	American Tel & Tel	2,735.0	1.4	6,131	4
6	9	El du Pont de Nemours	2,310.0	-6.9	4,935	6
7	200	Chevron	2,157.0	500.0+	4,928	7
8	12	Mobil	1,929.0	6.6	4,611	9
9	15	Amoco	1,913.0	18.8	4,326	11
10	17	Merck	1,781.2	19.1	2,035	27

Winners

Rank 1990	Rank 1989	Company	Net profits 1990 ($mil)	Net profits 1989 ($mil)
134	■	Lockheed	335.0	2.0
383	■	Tambrands	97.8	1.7
310	■	First Bank System	130.6	2.4
416	■	Safeway	87.1	2.5
276	■	Ashland Oil	149.3	12.3

■ Not on 500 list in 1989.

Losers

Rank 1990	Rank 1989	Company	Net profits ($mil)	% change
332	33	General Cinema	120.0	-87.3
188	18	Paramount Communications	230.6	-83.7
365	77	Philadelphia Electric	105.8	-82.1
317	61	Commonwealth Edison	128.3	-81.5
477	130	PNC Financial	70.9	-81.2

Rank 1990	Rank 1989	Company	Net profits ($mil)	% change	Cash flow ($mil)	Cash flow rank 1990
11	54	Bristol-Myers Squibb	1,748.0	134.0	1,992	29
12	20	Procter & Gamble	1,733.0	24.2	2,655	22
13	11	Atlantic Richfield	1,688.0	–13.6	3,710	13
14	14	BellSouth	1,631.5	–2.7	4,532	10
15	19	GTE	1,541.0	8.7	4,294	12
16	10	Texaco	1,450.0	–39.9	3,108	16
17	21	American Intl Group	1,442.3	5.5	1,645	32
18	64	Boeing	1,385.0	105.2	2,063	26
19	8	Dow Chemical	1,384.0	–44.4	2,706	21
20	13	Coca-Cola	1,381.9	–19.8	1,626	34
21	31	Bell Atlantic	1,312.5	22.1	3,690	14
22	22	Minn Mining & Mfg	1,308.0	5.1	2,157	23
23	30	Wal-Mart Stores	1,291.0	20.0	1,638	33
24	24	Ameritech	1,253.8	1.3	3,079	17
25	27	American Home Prods	1,230.6	11.7	1,410	42
26	26	US West	1,198.9	7.9	3,044	18
27	49	Federal Natl Mortgage	1,173.4	45.3	1,173	62
28	29	Johnson & Johnson	1,143.0	5.6	1,617	35
29	35	Eli Lilly	1,127.3	20.0	1,375	46
30	28	Southwestern Bell	1,101.4	0.8	2,793	20
31	39	PepsiCo	1,076.9	19.5	1,961	30
32	23	Pacific Telesis	1,030.0	–17.1	2,945	19
33	40	Pacific G&E	987.2	9.6	2,085	25
34	43	Abbott Laboratories	965.8	12.3	1,322	50
35	36	ITT	958.0	3.9	1,464	39
36	48	Nynex	949.4	17.6	3,287	15
37	16	Sears, Roebuck	902.0	–40.2	1,609	36
38	45	BankAmerica	877.0	7.0	1,150	63
39	3	Ford Motor	860.1	–77.6	5,740	5
40	51	Texas Utilities	850.8	9.2	1,216	59
41	53	Anheuser-Busch Cos	842.4	9.8	1,338	48
42	56	Walt Disney	820.0	12.4	1,405	43
43	32	USX	818.0	–15.2	2,122	24
44	38	Loews	804.7	–11.3	909	82
45	57	McDonald's	802.3	10.4	1,296	52
46	62	Pfizer	801.2	17.6	1,026	71
47	52	SCEcorp	786.4	1.0	1,671	31
48	■	JP Morgan & Co	775.0	D-P	775	99
49	47	Hewlett-Packard	771.0	–4.7	1,337	49
50	152	Kmart	756.2	134.3	1,253	56
51	60	United Technologies	750.6	6.9	1,451	40
52	73	Wells Fargo	711.5	18.4	887	86
53	82	Waste Management	709.3	26.2	1,211	60
54	86	Eastman Kodak	703.0	32.9	2,012	28
55	■	Bankers Trust NY	665.0	D-P	765	101
56	129	Intel	650.3	66.3	949	75
57	58	Rockwell Intl	620.0	–14.0	1,243	57
58	76	Emerson Electric	618.1	4.2	900	83
59	75	Union Pacific	618.0	3.9	1,315	51
60	66	Aetna Life & Cas	614.1	–4.0	765	102
61	74	General Re	613.6	2.5	614	129
62	44	Southern Co	604.0	–28.6	1,589	37
63	67	American Brands	596.0	–5.5	847	94
64	50	JC Penney	577.0	–28.1	876	89
65	70	Consolidated Edison	571.5	–5.7	914	80
66	42	International Paper	569.0	–34.1	1,236	58
67	98	Schering-Plough	565.1	19.9	687	112
68	102	American General	562.0	21.1	680	114
69	79	Tenneco	561.0	–3.9	1,037	70
70	87	Raytheon	557.3	5.4	861	92
71	69	Norfolk Southern	556.1	–8.3	929	78
72	93	HJ Heinz	547.2	12.5	733	104
73	63	Monsanto	546.0	–19.6	1,285	54
74	84	Pub Svc Enterprise	542.3	0.0	1,193	61
75	224	Phillips Petroleum	541.0	147.0	1,349	47
76	81	Duke Power	538.2	–5.8	1,114	64
77	118	Chubb	522.1	24.1	549	153
78	114	Detroit Edison	514.5	20.8	882	87
79	78	Dun & Bradstreet	508.2	–13.3	857	93
80	117	Kellogg	502.8	19.1	703	108
81	112	Apple Computer	500.6	14.2	703	110
82	111	Sara Lee	500.3	13.5	878	88
83	89	May Dept Stores	500.0	–2.9	794	96
84	89	Motorola	499.0	0.2	1,289	53
85	68	American Electric	496.4	–21.1	1,011	73
86	■	Marion Merrell Dow	487.0	500.0+	558	146
87	120	Warner-Lambert	484.9	17.5	605	131
88	96	Amerada Hess	482.7	1.3	1,402	44
89	46	BHC Commun	481.2	–40.6	621	127
90	■	Entergy	478.3	D-P	871	91
91	94	Capital Cities/ABC	477.8	–1.6	637	124
92	101	PPG Industries	474.8	2.1	820	95
93	100	PacifiCorp	473.9	1.8	1,106	66
94	88	Allied-Signal	462.0	–12.5	922	79
95	95	Archer Daniels	459.4	–4.8	714	106
96	144	General Mills	457.1	33.8	656	121
97	271	Upjohn	455.7	158.9	580	138
98	147	Compaq Computer	454.9	36.5	590	134
99	186	Phelps Dodge	454.9	70.4	588	135
100	122	Dominion Resources	445.7	8.5	967	74
101	■	First Interstate Bncp	438.7	D-P	604	132
102	116	Kimberly-Clark	432.1	2.0	672	117
103	142	Banc One	423.4	21.6	498	171
104	105	CSX	416.0	–8.0	889	84
105	■	Federal Home Loan Mor	414.0	–5.3	414	195
106	125	Dayton Hudson	410.0	0.0	779	98
107	141	Ralston Purina	401.3	14.6	642	123
108	192	Unocal	401.0	54.2	1,425	41

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Rank 1990	Rank 1989	Company	Net profits ($mil)	% change	Cash flow ($mil)	Cash flow rank 1990
109	143	Limited	398.4	14.8	582	137
110	106	Berkshire Hathaway	394.9	-11.7	429	190
111	145	Weyerhaeuser	393.7	15.4	910	81
112	126	St Paul Cos	391.3	-1.7	458	180
113	127	Melville	385.3	-3.2	509	165
114	71	Honeywell	381.9	-36.8	665	119
115	128	Gannett	377.0	-5.2	571	140
116	150	CPC International	373.9	14.2	611	130
117	168	Primerica	372.9	29.0	497	172
118	■	McCaw Cellular	371.4	D-P	624	126
119	121	NCR	369.0	-10.4	694	111
120	173	Gillette	367.9	29.2	545	155
121	107	NCNB	365.7	-18.2	527	161
122	65	Georgia-Pacific	365.0	-44.8	1,114	65
123	■	Borden	363.6	D-P	561	145
124	184	Cooper Industries	361.4	34.9	600	133
125	158	Central & So West	356.0	16.3	673	116
125	133	Lyondell Petrochem	356.0	-4.8	389	205
127	232	Microsoft	355.6	68.9	410	196
128	166	American Cyanamid	352.8	20.8	618	128
129	146	SunTrust Banks	350.4	3.9	436	187
130	140	Pennsylvania P&L	343.9	-2.7	677	115
131	339	Newmont Mining	342.6	172.2	427	191
132	119	Houston Industries	339.5	-17.9	767	100
133	25	American Express	338.0	-70.8	941	76
134	■	Lockheed	335.0	500.0+	703	108
135	170	Humana	332.4	15.9	568	143
136	83	Cigna	330.0	-41.3	330	234
137	157	Martin Marietta	327.6	6.7	543	156
138	153	Toys 'R' Us	326.0	1.5	495	198
139	176	Colgate-Palmolive	321.0	14.6	447	184
140	■	Long Island Lighting	319.6	D-P	533	159
141	89	Citicorp	318.0	-36.1	1,086	67
142	149	Woolworth	317.0	-3.6	551	150
143	301	Freeport-McMoRan	313.6	109.3	571	141
144	135	United Telecom	308.7	-14.9	1,392	45
145	■	Bank of New York	308.3	500.0+	457	181
146	80	Union Carbide	308.0	-46.2	784	97
147	■	McDonnell Douglas	306.0	500.0+	887	85
148	197	First Union	304.3	18.8	463	177
149	164	Marsh & McLennan Cos	304.1	3.1	409	197
150	99	Salomon	303.0	-35.5	384	210
151	195	Student Loan	300.9	16.8	301	255
152	72	MCI Communications	299.0	-50.4	1,042	69
153	181	First Wachovia	297.2	10.5	357	221
154	85	Reynolds Metals	296.6	-44.3	511	164
155	229	NIKE	295.6	39.3	324	240
156	34	Alcoa	295.2	-68.8	1,013	72
157	172	Union Electric	294.2	3.0	578	139
158	■	Chemical Banking	291.2	D-P	527	160
159	124	Deere & Co	289.5	-29.5	498	170
160	193	Corning	289.1	11.4	500	169
161	175	AMP	287.1	2.2	505	167
162	218	ConAgra	285.3	27.7	456	182
163	183	Textron	283.0	5.3	503	168
164	136	Ohio Edison	281.7	-22.0	586	136
165	213	Norwest	280.6	18.4	375	213
166	131	Carolina Power & Lt	280.4	-25.4	715	105
167	160	Safeco	278.4	-7.3	312	244
168	174	General Public Utils	278.2	-1.5	669	118
169	194	NBD Bancorp	274.8	6.2	329	236
170	110	Morgan Stanley	270.4	-39.0	318	243
171	36	Westinghouse	268.0	-70.9	631	125
172	148	Transamerica	266.3	-19.8	430	189
173	187	Centerior Energy	264.5	-0.9	516	163
174	159	Tandy	263.3	-13.4	360	220
175	319	New England Electric	262.1	89.0	524	162
176	284	National Medical	259.2	58.1	450	183
177	139	First Chicago	249.3	-30.5	395	202
178	304	Consolidated Rail	247.0	66.9	549	151
179	59	Xerox	243.0	-65.5	934	77
180	233	Air Prods & Chems	241.1	14.6	549	152
181	214	Aon	239.0	2.8	312	245
182	211	Household Intl	235.3	-1.8	378	211
183	210	Cincinnati G&E	234.7	-2.1	328	237
184	246	Albertson's	233.8	18.9	356	222
185	190	National City	233.5	-11.3	307	250
186	235	Temple-Inland	232.5	12.1	377	212
187	223	Ethyl	232.2	5.8	341	227
188	18	Paramount Commun	230.6	-83.7	1,265	55
189	161	Union Camp	229.6	-23.3	460	179
190	230	Torchmark	229.2	8.5	249	294
191	■	C&S/Sovran	229.0	-54.8	389	206
192	103	Burlington Resources	228.9	-50.0	509	166
193	244	Quaker Oats	227.4	39.1	398	200
194	137	AMAX	225.9	-37.3	463	178
195	220	RR Donnelley & Sons	225.8	1.8	421	193
196	280	Coastal Corp	225.6	32.6	535	158
197	■	Oryx Energy	225.0	316.7	711	107
198	257	UST Inc	223.3	17.2	243	302
199	113	Champion Intl	222.6	-48.5	546	154
200	207	Burlington Northern	222.0	-8.6	568	142
201	247	Automatic Data	219.7	12.0	335	228
202	278	Hershey Foods	215.9	26.2	290	264
203	264	Pitney Bowes	213.3	14.2	434	188
204	238	Northeast Utilities	211.0	3.8	536	157
205	■	Northrop	210.4	D-P	397	201
206	92	Caterpillar	210.0	-57.7	743	103

■ Not on 500 list in 1989. D-P: Deficit to profit.

Rank 1990	Rank 1989	Company	Net profits ($mil)	% change	Cash flow ($mil)	Cash flow rank 1990
207	228	Geico	208.4	-2.2	220	324
208	191	TRW	208.0	-20.9	660	120
209	262	San Diego G&E	207.8	11.1	394	203
210	270	Rohm & Haas	206.8	17.2	366	217
211	241	Genuine Parts	206.6	3.6	235	310
212	251	Carnival Cruise Lines	206.2	6.5	296	257
213	283	Liz Claiborne	205.8	25.0	227	317
214	199	WR Grace	202.8	-19.9	552	149
215	216	Enron	202.2	-10.6	558	147
216	■	Republic New York	201.2	500.0+	215	328
217	415	Sun Co	199.0	103.1	684	113
218	329	Halliburton	197.4	47.6	447	185
219	219	No States Power	195.5	-11.9	490	174
220	■	Avon Products	195.3	257.7	258	288
221	412	Gt Western Financial	193.1	92.9	257	289
222	294	Alltel	192.8	25.3	385	209
223	■	Merrill Lynch	191.9	D-P	479	175
224	182	Lincoln National	191.5	-28.8	246	297
225	248	Allegheny Power	191.4	-1.8	372	214
226	250	HF Ahmanson	191.0	-1.5	296	258
227	428	Lubrizol	190.0	102.2	250	293
228	279	Reader's Digest Assn	189.8	10.9	242	303
229	249	Wisconsin Energy	186.7	-3.7	331	233
230	240	Ingersoll-Rand	185.3	-8.3	283	269
231	293	UNUM	185.2	19.2	185	366
232	227	Becton Dickinson	184.0	-13.9	326	239
233	296	Amdahl	184.0	20.3	332	230
234	303	Dillard Dept Stores	182.8	23.4	281	271
235	299	US Bancorp	182.7	21.2	194	355
236	357	American Stores	182.4	54.4	563	144
237	285	Illinois Tool Works	182.4	11.3	284	268
238	346	Scana	181.6	48.1	302	254
239	289	Golden West Finl	181.5	14.9	210	332
240	162	Times Mirror	180.5	-39.4	426	192
241	305	Provident Life & Acc	179.1	21.0	218	326
242	217	Eaton	179.0	-20.4	334	229
243	288	Walgreen	178.1	12.6	250	292
244	273	Reebok International	176.6	0.9	212	329
245	177	Baltimore G&E	175.4	-36.5	355	223
246	243	Washington Post	174.6	-11.8	269	279
247	266	Mellon Bank	174.0	-3.9	291	263
248	317	Food Lion	172.6	23.5	254	291
249	■	McGraw-Hill	172.5	333.5	239	305
250	297	Deluxe	172.2	12.8	246	295
251	267	Litton Industries	170.6	-4.9	390	204
252	226	Potomac Electric	170.2	-20.7	294	259
253	286	Dresser Industries	168.6	4.6	264	282
254	178	Capital Holding	166.2	-39.7	185	370
255	263	Florida Progress	164.8	-11.9	372	215

■ Not on 500 list in 1989. D-P: Deficit to profit.

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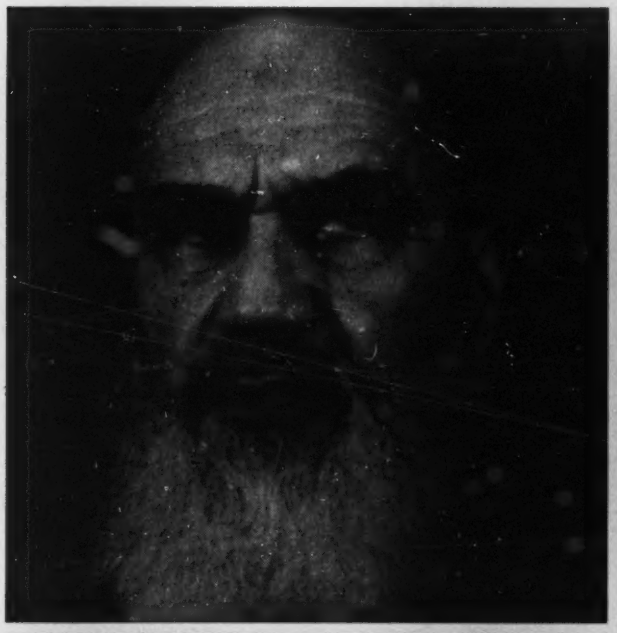

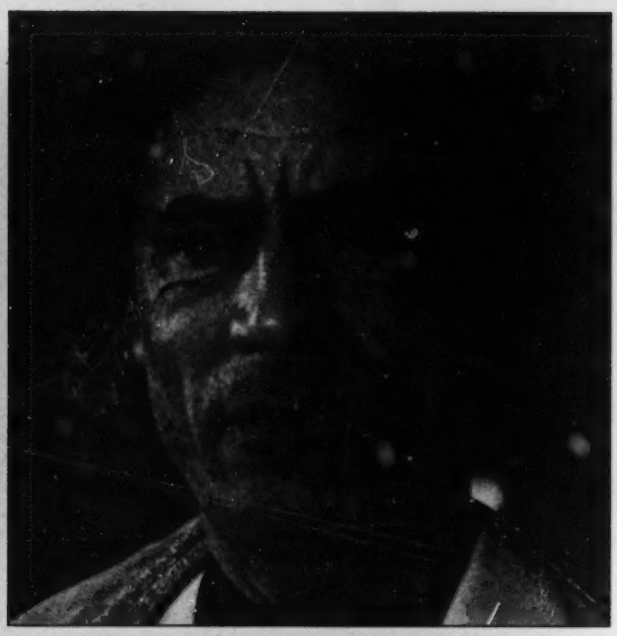

Photo: Reuters/Bettmann

If you're uneasy about nuclear electricity, consider the alternatives.

Over and over again, Middle East instability has threatened much of the world's energy supplies—including America's, where we now import over 40% of our oil. It's time this country achieved a balanced energy strategy that reduces our vulnerability to the whims of tyrants.

Nuclear energy is part of that strategy. With 112 plants licensed to operate in the U.S., nuclear-generated electricity already cuts America's oil imports by 740,000 barrels every day. That's more than we imported from Iraq and Kuwait before the war.

Still, we need more nuclear plants. To meet America's growing electricity demands, and to bolster our independence from dangerously unstable energy sources. All without emitting any greenhouse gases or air pollutants. For more information, write to the U.S. Council for Energy Awareness, P.O. Box 66080, Dept. OT09, Washington, D.C. 20035.

Nuclear energy means more energy independence.

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Rank 1990	Rank 1989	Company	Net profits ($mil)	% change	Cash flow ($mil)	Cash flow rank 1990
305	■	Unitrin	132.2	24.4	132	428
306	259	So New Eng Telecom	132.1	-30.1	385	208
307	345	First of America Bank	131.6	7.1	165	394
308	371	Bausch & Lomb	131.4	14.9	194	355
309	350	Nalco Chemical	131.1	9.3	184	372
310	■	First Bank System	130.6	500.0+	178	381
311	364	Mapco	130.0	11.9	208	335
312	397	Tyco Laboratories	130.0	30.2	204	342
313	255	Willamette Inds	129.6	-32.2	237	309
314	370	Cincinnati Financial	129.0	12.6	134	426
315	■	Sotheby's Holdings	128.5	53.8	142	416
316	480	Comerica	128.5	65.5	159	403
317	61	Commonwealth Ed	128.3	-81.5	1,074	68
318	347	Price Co	128.1	4.6	161	399
319	354	WW Grainger	126.8	6.0	160	401
320	407	MBIA	126.6	23.7	134	425
321	401	Tyson Foods	125.9	21.4	257	290
322	355	American Petrofina	125.5	30.5	305	252
323	405	Medtronic	124.2	20.4	164	395
324	333	Mercantile Stores	123.6	-5.2	187	364
325	■	Tosco	123.2	204.5	169	390
326	384	Sherwin-Williams	122.7	12.6	174	384
327	374	DQE	121.7	7.7	293	261
328	409	Square D	120.7	18.5	180	375
329	424	Castle & Cooke	120.5	26.9	190	362
330	388	Fifth Third Bancorp	120.4	11.2	131	430
331	336	Vulcan Materials	120.3	-7.0	220	323
332	33	General Cinema	120.0	-87.3	184	371
333	340	PSI Resources	119.4	-4.7	222	321
334	421	Roadway Services	119.1	24.7	271	278
335	387	Giant Food	119.0	9.8	196	352
336	237	Federal Paper Board	118.2	-42.5	207	337
337	■	Reliance Group	118.1	443.2	118	452
338	391	H&R Block	117.6	9.7	151	407
339	393	Wm Wrigley Jr	117.4	10.6	144	413
340	399	State Street Boston	117.3	12.8	151	408
341	465	American Family	117.2	45.0	117	454
342	275	Union Texas Petrol	116.0	-32.8	302	253
343	369	Nordstrom	115.8	0.8	201	344
344	373	Northern Trust	115.4	1.9	142	415
345	239	Alexander & Baldwin	115.2	-43.2	179	377
346	349	Sundstrand	114.3	-5.4	190	363
347	242	CoreStates Financial	114.0	-42.6	195	354
348	430	Gerber Products	113.5	22.6	140	418
349	351	Nicor	113.5	-5.3	225	319
350	438	Cray Research	113.0	26.9	283	270
351	380	Hilton Hotels	112.5	2.2	208	336
352	163	CBS	111.5	-62.5	170	388
353	201	Cyprus Minerals	111.0	-55.6	311	246
354	245	Manville	110.7	-43.7	239	306
355	383	Sonat	110.7	1.6	310	247
356	341	Southwestern Pub Svc	110.1	-11.8	166	392
357	■	Novell	109.7	108.4	133	427
358	411	American Natl Ins	108.7	-25.4	121	445
359	390	Manufacturers Natl	108.2	0.9	129	435
360	426	Crown Cork & Seal	107.1	13.7	209	333
361	154	Dow Jones	106.9	-66.3	293	262
362	360	Stanley Works	106.6	-9.4	181	373
363	392	Parker Hannifin	106.1	-0.3	208	334
364	■	Arkla	105.9	D-P	271	277
365	77	Philadelphia Elec	105.8	-82.1	558	148
366	311	Columbia Gas System	104.7	-28.2	354	224
367	414	Old Republic Intl	104.7	5.8	105	469
368	404	Rite Aid	103.3	0.0	195	353
369	316	Bear Stearns Cos	103.0	-26.3	103	473
370	490	Enserch	102.8	40.1	232	314
371	386	Kansas City P&L	102.7	-5.4	196	351
372	■	Murphy Oil	101.9	118.9	321	241
373	450	Newell Co	101.4	18.7	140	421
374	196	Barnett Banks	101.2	-60.6	211	330
375	396	Snap-on Tools	100.8	-3.8	125	439
376	■	Portland General	100.0	D-P	203	343
377	395	Seagate Technology	99.7	-4.8	264	281
378	331	Maytag	98.9	-24.8	185	367
379	436	20th Century Inds	98.7	8.5	104	472
380	324	Potlatch	98.6	-27.9	185	369
381	358	Tandem Computers	98.1	-16.7	232	315
382	274	Penn Central	97.8	-43.8	163	397
383	■	Tambrands	97.8	500.0+	111	459
384	441	Firstar	97.6	11.9	110	460
385	■	Pinnacle West	97.3	D-P	360	219
386	468	Fleming Cos	97.3	21.5	180	376
387	422	Ipalco Enterprises	96.9	1.5	174	385
388	440	Citizens Utilities	96.5	12.9	131	432
389	394	McKesson	96.4	-8.9	175	383
390	■	Hercules	96.0	D-P	287	267
391	469	Bancorp Hawaii	95.7	19.8	111	457
392	171	Stone Container	95.4	-66.6	352	225
393	253	Georgia Gulf	95.3	-50.3	115	455
394	488	Montana Power	95.0	27.6	155	406
395	■	Valero Energy	94.7	128.2	130	433
396	151	UAL	94.5	-70.9	654	122
397	■	Chiquita Brands Intl	93.9	38.6	150	409
398	403	Pennzoil	93.8	-9.4	278	272
399	■	Coca-Cola Enterprises	93.4	30.2	329	235
400	478	Progressive	93.4	19.7	111	458
401	419	National Service	92.5	-4.5	139	422
402	338	Wheeling Pittsburgh	92.4	-37.3	142	414

■ Not on 500 list in 1989. D-P: Deficit to profit.

Rank 1990	Rank 1989	Company	Net profits ($mil)	% change	Cash flow ($mil)	Cash flow rank 1990
403	470	Mattel	91.2	14.5	141	417
404	252	Louisiana-Pacific	91.1	-52.7	243	300
405	425	Cincinnati Bell	91.0	-3.6	198	350
406	458	Franklin Resources	90.6	10.0	95	483
407	461	Argonaut Group	89.7	9.9	110	463
408	433	Hasbro	89.2	-3.3	149	410
409	378	IMC Fertilizer Group	88.6	-20.0	185	365
409	423	Johnson Controls	88.6	-6.7	278	273
411	429	PH Glatfelter	88.3	-4.9	118	451
412	■	DeSoto	88.2	D-P	107	465
413	497	Washington Water	87.6	21.6	140	420
414	449	Old Kent Financial	87.5	2.4	102	474
415	313	Bowater	87.4	-39.5	205	341
416	■	Safeway	87.1	500.0+	363	218
417	475	King World Prods	86.8	10.8	99	478
418	446	Weis Markets	86.8	0.4	110	462
419	■	Whittaker	86.7	200.5	97	481
420	472	Hubbell	86.0	8.4	104	470
421	453	E-Systems	85.6	3.2	132	429
422	■	Grumman	85.6	27.2	191	361
423	389	Huntington Bcshs	85.2	-21.1	121	446
424	476	Loral	84.8	8.4	179	379
425	410	Ohio Casualty	84.1	-17.2	93	486
426	342	Olin	84.0	-32.3	207	338
427	■	Kroger	83.3	D-P	326	238
428	500	Community Psych	83.2	15.6	95	482
429	■	Geo A Hormel	83.1	17.3	119	449
430	382	Comdisco	83.0	-24.5	875	90
431	■	GATX	82.9	26.2	198	348
432	298	Niagara Mohawk Power	82.9	-45.0	332	232
433	■	National Health Labs	82.6	27.7	101	475
434	■	Allergan	81.4	42.1	126	438
435	272	VF	81.1	-53.9	179	378
436	477	CalMat	80.8	3.5	119	448
437	■	Magma Copper	80.4	64.1	114	456
438	459	Kentucky Utilities	80.1	-2.7	136	423
439	■	Interpublic Group	80.1	13.4	118	453
440	493	Kansas Power & Light	79.6	9.4	156	405
441	■	Boston Edison	79.6	D-P	226	318
442	■	American Greetings	79.3	17.3	121	444
443	484	Bandag	78.8	3.8	100	476
444	481	Hartford Steam Boiler	78.7	1.5	93	485
445	206	James River Corp Va	78.2	-68.1	386	207
446	■	US Healthcare	77.5	173.2	86	492
447	■	Diamond Shamrock	77.5	29.1	125	440
448	460	Imcera Group	77.3	-5.5	161	398
449	498	Fruit of the Loom	77.1	7.1	165	393
450	■	Williams Cos	77.0	46.7	238	307
451	■	AmSouth Bancorp	76.7	21.4	89	489
452	495	Premier Industrial	76.6	5.6	84	493
453	485	Circus Circus	76.3	1.6	119	450
454	■	FlightSafety Intl	75.7	15.4	107	466
455	486	Hillenbrand Inds	75.7	6.1	170	389
456	330	Dana	75.6	-42.8	269	280
457	185	Boise Cascade	75.3	-71.9	288	266
458	■	Nucor	75.1	29.8	160	400
459	277	Owens-Corning	75.0	-56.4	246	296
460	307	Continental Bank	74.6	-49.4	99	479
461	439	Minnesota Power & Lt	74.6	-16.1	110	461
462	443	TJX Cos	74.1	-2.1	123	442
463	■	EG&G	74.0	5.9	104	471
464	408	Valhi	73.7	-28.0	159	404
465	483	LG&E Energy	73.2	9.8	129	436
466	■	First Financial Mgmt	72.9	28.4	135	424
467	■	Harsco	72.5	500.0+	129	434
468	■	Great American Mgmt	72.2	D-P	140	419
469	261	Whirlpool	72.0	-61.5	319	242
470	■	Cabot	71.9	426.2	164	396
471	■	First Hawaiian	71.5	24.4	82	496
472	496	Circuit City Stores	71.4	-1.4	99	480
473	448	Marshall & Ilsley	71.3	-16.5	89	490
474	■	Sigma-Aldrich	71.2	11.4	92	487
475	■	Kelly Services	71.2	0.6	80	497
476	487	Lowe's Cos	71.1	-5.1	123	443
477	130	PNC Financial	70.9	-81.2	145	411
478	■	Brunswick	70.9	D-P	217	327
478	189	LTV	70.9	-73.2	309	248
480	■	Storage Technology	70.6	93.8	181	374
481	■	Pall	70.5	21.0	100	477
482	■	Engelhard	70.3	D-P	145	412
483	494	SouthTrust	69.7	-4.2	86	491
484	326	McCormick & Co	69.4	-48.8	106	467
485	452	Idaho Power	69.2	-18.3	124	441
486	300	Teledyne	69.2	-54.0	160	402
487	■	Harnischfeger Inds	69.1	16.7	106	468
488	328	Allegheny Ludlum	68.9	-48.5	92	488
489	■	First Alabama Bcshs	68.9	10.0	83	494
490	464	Atlantic Energy	68.9	-14.9	131	431
491	■	Mercantile Bkshs	68.9	11.0	76	499
492	■	Blockbuster	68.7	55.5	193	357
493	467	USLife	68.6	-14.5	80	498
494	■	Alleghany	68.6	24.8	93	484
495	138	Chrysler	68.0	-81.1	1,466	38
496	■	Computer Sciences	68.0	16.4	107	464
497	■	Witco	68.0	94.1	128	437
498	■	Russell	67.9	5.0	120	447
499	■	Loctite	67.4	15.8	83	495
500	■	Wilmington Trust	67.0	12.8	73	500

■ Not on 500 list in 1989. D-P: Deficit to profit.

The growth in assets has slowed as banks and other financial institutions cut back and other companies reduce the fluff in their balance sheets. Asset growth of the biggest corporations has barely kept pace with inflation.

ASSET GROWTH among the U.S.' 500 largest public corporations slowed again during 1990. Total assets reached an alltime high, $7.4 trillion, but that's only a 5% gain. In contrast, the Forbes Assets 500 grew 6% in our 1990 survey and 10% one year earlier. This slowdown in asset growth might have been even more pronounced were it not for the decline in leveraged buyouts and new accounting rules requiring firms to consolidate more fully their less-than-wholly-owned subsidiaries.

Why is the aggregate value of assets plateauing? Downsizing, restructuring and the weakness in the new issues market have all played a part. But the biggest setbacks are in the financial sector as banks, brokerages and insurance firms have unloaded questionable assets and valued other assets, like real estate, more conservatively.

Savings and loans and banks make up 160, or just under a third, of the 500 companies in this table. An indication of their declining importance among the Forbes Assets 500 is the fact that of the 25 new companies on this year's list, only two—Affiliated Bancshares of Colorado and U.S. Trust—are in this troubled industry.

Citicorp experienced a 6% drop in assets from last year, the first decline in more than a decade. This still leaves the banking giant with consolidated assets of $217 billion—enough to remain on top of the assets pile. But remember, too, that bad loans, especially in commercial real estate, contributed to a 36% decline in Citicorp's 1990 profits.

General Motors, ranked second in total assets, also had a difficult year. GM expanded its asset base by 4% (to $180 billion) but most of the growth was not in manufacturing capability. Instead, intangible assets (goodwill) increased 52% and inventories rose 17%. Like Citicorp, the automaker recently reduced its common dividend.

Rank 1990	Rank 1989	Company	Assets ($mil)	% change
1	1	Citicorp	216,986	-5.9
2	2	General Motors	179,976	4.1
3	3	Ford Motor	173,611	8.0
4	5	General Electric	153,884	19.9
5	4	American Express	137,682	5.2

Newcomers to this year's Assets 500 include retailers Dillard Department Stores and the Limited, and mining companies Asarco and Phelps Dodge. Another new entry is Manville, whose assets increased 6% last year. It emerged from Chapter 11 bankruptcy in 1988. Federal Home Loan Mortgage Corp. and Safeway are the only two IPOs on the asset survey. Unitrin, once part of Teledyne, was spun off as an independent company in 1990 and is ranked number 366.

Companies whose assets shrank include Fund American Cos., which sold its Fireman's Fund to the German insurance company Allianz, and Meritor Savings Bank, which sold 54 branches.

Winners

Rank 1990	Rank 1989	Company	Assets ($mil)	% change
209	467	McCaw Cellular	8,714	186.5
375	■	Rhone-Poulenc Rorer	4,085	128.0
187	297	ConAgra	9,564	77.0
140	231	Georgia-Pacific	12,060	70.9
266	386	Discount Corp of NY	6,461	67.0

■Not on 500 list in 1989.

Losers

Rank 1990	Rank 1989	Company	Assets ($mil)	% change
462	138	Fund American Cos	3,087	-73.7
262	128	Meritor Savings Bank	6,520	-48.4
295	178	HCH	5,546	-42.0
332	216	Continental Airlines	4,773	-37.0
422	■	American Medical	3,500	-20.9

Rank 1990	Rank 1989	Company	Assets ($mil)	% change
6	6	Fed Natl Mortgage	133,113	7.1
7	9	BankAmerica	110,728	12.1
8	7	Salomon	109,877	–7.1
9	8	Chase Manhattan	98,064	–8.7
10	12	Sears, Roebuck	96,253	10.7
11	10	JP Morgan & Co	93,103	4.7
12	11	Aetna Life & Cas	89,301	2.5
13	14	Exxon	87,707	5.4
14	15	IBM	87,568	12.7
15	13	Security Pacific	84,731	0.9
16	16	Chemical Banking	73,019	2.1
17	18	Merrill Lynch	68,130	6.5
18	17	NCNB	65,285	–1.4
19	21	Cigna	63,691	10.2
20	23	Bankers Trust NY	63,596	14.3
21	19	Mfrs Hanover	61,530	1.7
22	29	American Intl Group	58,143	26.0
23	27	Wells Fargo	56,199	15.3
24	22	Travelers	55,356	–2.1
25	24	Morgan Stanley	53,526	0.5
26	20	First Interstate Bncp	51,356	–13.0
27	■	C&S/Sovran	51,237	5.1
28	32	HF Ahmanson	51,201	14.7
29	28	First Chicago	50,779	6.0
30	31	ITT	49,043	7.8
31	35	Philip Morris Cos	46,569	20.9
32	25	Chrysler	46,369	–9.1
33	30	PNC Financial	45,533	–0.3
34	26	Bank of New York	45,390	–7.1
35	36	American Tel & Tel	43,775	16.2
36	34	Mobil	41,665	6.6
37	39	Student Loan	41,124	15.9
38	44	First Union	40,781	26.9
39	■	Federal Home Loan	40,579	14.4
40	37	Gt Western Financial	39,406	6.0
41	40	El du Pont	38,128	9.8
42	41	Chevron	35,089	3.6
43	38	Bear Stearns Cos	34,951	–2.3
44	43	Loews	34,736	7.0
45	45	American General	33,808	5.4
46	46	GTE	33,769	5.6
47	48	SunTrust Banks	33,411	7.6
48	■	RJR Nabisco	32,915	–9.6
49	33	Bank of Boston	32,529	–17.0
50	42	Fleet/Norstar Finl	32,507	–2.8
51	56	Barnett Banks	32,214	11.1
52	50	Amoco	32,209	5.8
53	53	Transamerica	31,784	6.5
54	51	Xerox	31,495	4.7
55	72	Norwest	30,626	25.9
56	58	Banc One	30,336	14.3
57	52	BellSouth	30,207	0.5
58	66	Republic New York	29,597	16.2
59	61	Household Intl	29,455	12.6
60	49	First Fidelity Bncp	29,110	–5.3
61	47	Mellon Bank	28,762	–8.6
62	59	Bell Atlantic	27,999	6.8
63	70	Lincoln National	27,597	10.1
64	55	Continental Bank	27,143	–8.1
65	68	US West	27,050	6.4
66	63	NBD Bancorp	26,747	3.8
67	62	Nynex	26,651	2.9
68	65	MNC Financial	26,376	29.8
69	73	First Wachovia	26,271	9.2
70	64	Texaco	25,975	1.3
71	71	Time Warner	25,337	2.2
72	60	CalFed	24,509	–6.4
73	69	GlenFed	24,404	–3.4
74	75	Eastman Kodak	24,121	2.0
75	80	Dow Chemical	23,953	8.1
76	79	Atlantic Richfield	23,864	7.2
77	77	National City	23,743	3.4
78	57	Shawmut National	23,703	–14.9
79	74	Midlantic	23,586	–0.3
80	99	CoreStates Financial	23,520	39.6
81	78	Southern Co	22,866	0.1
82	90	Golden West Finl	22,562	15.6
83	84	Southwestern Bell	22,195	4.9
84	88	Westinghouse	22,033	8.5
85	82	Pacific G&E	21,958	2.8
86	89	Ameritech	21,715	9.5
87	83	Pacific Telesis	21,581	1.8
88	92	Procter & Gamble	20,607	14.5
89	87	Commonwealth Ed	20,496	–0.1
90	86	Occidental Petroleum	19,743	–4.8
91	93	Primerica	19,689	9.7
92	104	KeyCorp	19,266	24.6
93	96	Tenneco	19,034	9.5
94	85	First Bank System	19,001	–8.7
95	97	Texas Utilities	18,651	8.3
96	94	HomeFed	18,260	2.8
97	81	PaineWebber Group	18,151	–17.9
98	98	US Bancorp	17,613	3.8
99	101	SCEcorp	17,477	6.0
100	111	Boatmen's Bancshs	17,469	20.1
101	95	USX	17,268	–1.3
102	106	PepsiCo	17,143	13.3
103	107	Capital Holding	16,669	11.3
104	103	Weyerhaeuser	16,356	2.4
105	105	Union Bank	16,313	6.1
106	91	First Executive	16,018	–16.5
107	110	United Technologies	15,918	9.0
108	159	Society	15,110	38.6
109	102	Great American Bank	15,032	–8.6
110	117	McDonnell Douglas	14,965	11.7
111	115	Textron	14,892	8.0
112	109	Entergy	14,831	0.8
113	118	Boeing	14,591	9.9
114	123	First of America Bank	14,039	9.7
115	122	Pub Svc Enterprise	14,023	8.5
116	108	American Electric	13,989	–5.1
117	112	Continental Corp	13,927	–2.3
118	116	USF&G	13,911	2.3
119	119	Kmart	13,899	5.7
120	148	American Brands	13,835	21.4
121	143	International Paper	13,669	18.0
122	127	Kemper	13,588	7.0
123	137	Provident Life & Acc	13,522	14.1
124	100	Southeast Banking	13,390	–19.0
125	161	AMR	13,354	22.8
126	114	First City Bncp Texas	13,344	–5.2
127	134	Comerica	13,300	9.5
128	130	Union Pacific	13,078	5.0
129	131	FPL Group	12,949	5.1
130	133	UJB Financial	12,818	5.3
131	132	CSX	12,804	4.1
132	124	Philadelphia Elec	12,566	–1.2
133	136	PacifiCorp	12,372	4.0
134	126	JC Penney	12,325	–2.9
135	147	Tele-Communications	12,277	8.3
136	154	Chubb	12,268	9.7
137	156	St Paul Cos	12,204	10.6
138	150	Phillips Petroleum	12,130	7.8
139	166	Manufacturers Natl	12,078	17.2
140	231	Georgia-Pacific	12,060	70.9
141	158	Caterpillar	11,951	9.4
142	141	Centerior Energy	11,894	2.0
143	149	Crestar Financial	11,881	4.6
144	139	Houston Industries	11,877	1.7
145	135	Meridian Bancorp	11,866	–0.5
146	140	Huntington Bcshs	11,809	1.1
147	157	Northern Trust	11,789	7.8
148	171	State Street Boston	11,651	16.7
149	151	Digital Equipment	11,584	2.9
150	144	Alcoa	11,413	–1.1
151	129	Signet Banking	11,405	–8.6
152	207	Wal-Mart Stores	11,389	38.9
153	121	Goldome	11,311	–13.0
154	113	CrossLand Savings	11,178	–20.7
155	168	Hewlett-Packard	11,126	9.1
156	175	Minn Mining & Mfg	11,079	13.3
157	164	General Re	11,033	6.2
158	153	Ameritrust	11,011	–2.0
159	163	Reliance Group	11,011	5.9
160	155	Dominion Resources	10,991	–0.4
161	146	Michigan National	10,956	–4.6
162	177	Deere & Co	10,941	14.1
163	142	Dime Savings Bank	10,842	–7.0
164	204	Bancorp Hawaii	10,699	28.6
165	165	Consolidated Edison	10,686	3.2
166	145	FirstFed Michigan	10,675	–7.1
167	180	Berkshire Hathaway	10,670	12.8
168	184	McDonald's	10,668	16.3
169	172	Detroit Edison	10,573	6.3
170	182	Safeco	10,553	13.7

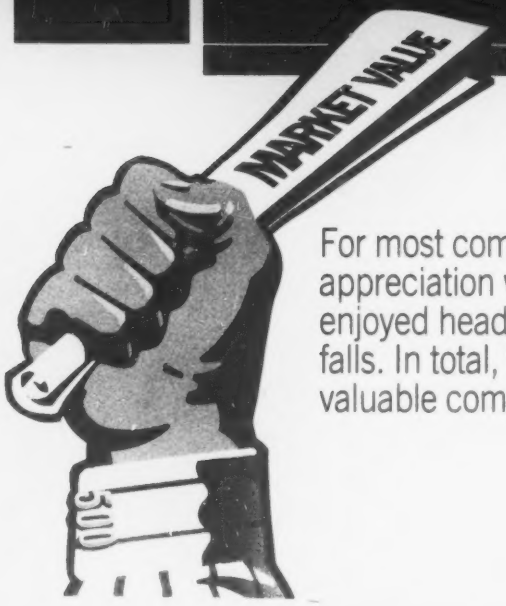
■ Not on 500 list in 1989.

Rank 1990	Rank 1989	Company	Assets ($mil)	% change
171	174	United Telecom	10,553	7.4
172	162	Valley National	10,551	0.3
173	167	Norfolk Southern	10,523	2.7
174	253	Waste Management	10,518	64.2
175	169	Allied-Signal	10,456	3.2
176	185	Aon	10,432	13.9
177	170	Dominion Bankshares	10,369	2.5
178	222	Broad	10,344	40.0
179	160	Unisys	10,289	-4.3
180	152	Coast Savings Finl	10,217	-9.1
181	179	Duke Power	10,084	5.7
182	173	BayBanks	10,082	1.7
183	186	Enron	9,849	8.2
184	183	Unocal	9,774	5.6
185	181	First Capital Holding	9,737	5.9
186	188	Anheuser-Busch Cos	9,634	6.7
187	297	ConAgra	9,564	77.0
188	187	Rockwell Intl	9,562	5.9
189	196	UNUM	9,514	11.2
190	210	Johnson & Johnson	9,506	20.0
191	193	Firstar	9,383	9.0
192	176	Standard Fedl Bank	9,297	-3.5
193	205	Coca-Cola	9,278	12.0
194	209	Beneficial Corp	9,260	16.7
195	194	Monsanto	9,236	7.3
196	190	Coastal Corp	9,230	5.2
197	200	Bristol-Myers Squibb	9,215	8.5
198	202	Central & So West	9,074	8.7
199	237	Amerada Hess	9,057	31.9
200	203	Pfizer	9,052	8.7
201	212	SouthTrust	9,006	16.0
202	191	Sun Co	9,000	3.5
203	462	BanPonce	8,984	50.4
204	201	Goodyear	8,964	5.9
205	198	Long Island Lighting	8,843	3.8
206	189	Anchor Bancorp	8,771	-1.9
207	214	Motorola	8,742	13.7
208	197	Union Carbide	8,733	5.5
209	467	McCaw Cellular	8,714	186.5
210	195	AmSouth Bancorp	8,706	1.6
211	236	Walt Disney	8,568	24.5
212	246	Dayton Hudson	8,524	27.5
213	199	Baxter International	8,517	0.2
214	206	NWNL	8,474	2.5
215	219	Champion Intl	8,351	10.9
216	211	May Dept Stores	8,295	6.3
217	309	Conseco	8,270	59.8
218	256	MCI Communications	8,249	30.2
219	208	Old Kent Financial	8,205	1.0
220	252	American Family	8,035	23.3
221	240	Merck	8,030	18.8
222	227	UAL	7,994	10.9
223	229	Fifth Third Bancorp	7,956	11.4
224	192	CMS Energy	7,921	-8.1
225	213	Ohio Edison	7,842	1.5
226	225	Temple-Inland	7,834	8.1
227	226	Sara Lee	7,780	7.6
228	218	Niagara Mohawk Pwr	7,770	2.6
229	215	Pennsylvania P&L	7,735	1.8
230	260	First Empire State	7,715	23.8
231	239	Integra Financial	7,627	12.7
232	235	Mercantile Bancorp	7,617	9.7
233	217	Carolina Power & Lt	7,519	-0.7
234	228	Marshall & Ilsley	7,460	4.3
235	244	Hibernia	7,358	9.8
236	249	Delta Air Lines	7,327	11.8
237	224	Pacific Enterprises	7,291	-0.5
238	220	Consolidated Rail	7,245	-3.0
239	221	American Stores	7,245	-2.1
240	241	Cooper Industries	7,168	6.3
241	279	Eli Lilly	7,143	22.1
242	261	South Carolina Natl	7,051	13.4
243	223	Riggs National	7,051	-3.9
244	233	Pinnacle West	7,011	-0.1
245	232	People's Bank	6,926	-1.8
246	242	Marriott	6,926	2.9
247	248	Washington Mutual	6,922	5.0
248	245	General Public Utils	6,916	3.4
249	284	Scott Paper	6,901	20.1
250	243	Gulf States Utils	6,863	2.0
251	238	Lockheed	6,860	1.0
252	271	Baltimore G&E	6,710	12.1
253	281	Commerce Bcshs	6,709	15.1
254	254	First Tennessee Natl	6,708	4.8
255	255	Capital Cities/ABC	6,696	5.3
256	259	Stone Container	6,690	7.0
257	287	Ethyl	6,690	18.8
258	251	Northeast Utilities	6,601	1.2
259	267	USAir Group	6,574	8.3
260	250	General Dynamics	6,573	0.4
261	294	Reynolds Metals	6,527	17.5
262	128	Meritor Savings Bank	6,520	-48.4
263	257	LTV	6,511	2.8
264	282	First Security	6,493	12.0
265	230	First American Corp	6,480	-8.2
266	386	Discount Corp of NY	6,461	67.0
267	296	Emerson Electric	6,449	16.5
268	234	Paramount Commun	6,404	-7.9
269	265	Burlington Resources	6,360	4.3
270	295	First Alabama Bcshs	6,344	14.3
271	273	Star Banc	6,295	5.8
272	270	INB Financial	6,263	4.1
273	288	WR Grace	6,227	10.8
274	277	Columbia Gas System	6,196	5.4
275	301	Central Fidelity Bks	6,173	15.7
276	310	Federal Express	6,164	19.6
277	300	Raytheon	6,119	14.6
278	286	PPG Industries	6,108	8.2
279	263	Burlington Northern	6,075	-1.2
280	303	Archer Daniels	6,073	15.4
281	258	Panhandle Eastern	6,069	-3.1
282	289	Pitney Bowes	6,061	8.0
283	264	Monarch Capital	6,020	-2.6
284	262	Black & Decker	5,890	-5.9
285	268	Talman Home Federal	5,888	-3.4
286	292	Merchants National	5,818	4.3
287	293	First Florida Banks	5,780	3.9
288	276	James River Corp Va	5,741	0.0
289	283	Union Electric	5,702	-1.0
290	315	Citadel Holding	5,698	14.4
291	285	American Home Prods	5,637	-0.8
292	299	Whirlpool	5,614	4.9
293	321	Abbott Laboratories	5,563	14.7
294	304	TRW	5,555	5.6
295	178	ICH	5,546	-42.0
296	319	Torchmark	5,536	12.5
297	314	First Hawaiian	5,508	8.5
298	275	Ryder System	5,502	-7.3
299	317	First Financial Mgmt	5,479	10.9
300	274	Commercial Federal	5,476	-7.9
301	307	Greyhound Dial	5,431	4.3
302	312	First Virginia Banks	5,384	5.1
303	379	Intel	5,376	34.6
304	290	Illinois Power	5,345	-4.7
305	322	Bordan	5,284	9.5
306	318	Kimberly-Clark	5,284	7.3
307	320	Pennzoil	5,261	7.8
308	365	Oryx Energy	5,252	25.5
309	335	Potomac Electric	5,240	12.9
310	311	Bank South	5,184	0.9
311	345	HJ Heinz	5,170	15.4
312	323	BB&T Financial	5,159	7.3
313	316	American Cyanamid	5,092	2.4
314	247	Santa Fe Pacific	5,066	3.7
315	324	Texas Instruments	5,048	5.1
316	302	Litton Industries	5,047	-5.1
317	337	Florida Progress	5,046	8.9
318	327	Coca-Cola Enterprises	5,021	6.1
319	338	Consol Natural Gas	5,006	8.8
320	346	Ashland Oil	5,004	12.0
321	269	American Capital	4,964	-17.7
322	329	City National	4,956	5.5
323	298	Northeast Federal	4,932	-8.7
324	395	Deposit Guaranty	4,923	31.5
325	364	AMAX	4,920	17.4
326	341	Central Bancshares	4,915	8.8
327	377	Mercantile Bkshs	4,886	21.6
328	357	Comdisco	4,868	13.4
329	400	First Citizens Bcshs	4,825	30.6
330	350	Sumitomo Bank Calif	4,795	9.0
331	366	Boise Cascade	4,785	15.5
332	216	Continental Airlines	4,773	-37.0
333	339	No States Power	4,762	3.7
334	308	Dun & Bradstreet	4,754	-8.3
335	342	American Natl Ins	4,754	5.3

■ Not on 500 list in 1989.

Rank 1990	Rank 1989	Company	Assets ($mil)	% change
336	305	Honeywell	4,746	–9.7
337	■	Safeway	4,739	4.4
338	331	NY State E&G	4,736	1.4
339	336	CBS	4,692	1.2
340	278	Perpetual Financial	4,656	–20.6
341	356	Puget Sound Bancorp	4,590	6.9
342	352	West One Bancorp	4,587	5.5
343	353	USLife	4,573	5.5
344	347	Allegheny Power	4,561	2.9
345	372	Transco Energy	4,549	10.7
346	343	NCR	4,547	1.0
347	358	Halliburton	4,544	6.6
348	344	Ralston Purina	4,519	0.5
349	306	Dana	4,513	–13.6
350	398	CPC International	4,490	21.2
351	332	First Commerce	4,468	–4.1
352	340	Jefferson-Pilot	4,455	–1.6
353	313	Howard Savings Bank	4,418	–13.1
354	370	New England Electric	4,408	7.1
355	421	Union Camp	4,400	28.7
356	325	Bethlehem Steel	4,382	–8.6
357	380	Rochester Community	4,316	8.5
358	330	PHH	4,302	–7.8
359	383	Woolworth	4,305	10.2
360	351	Campbell Soup	4,281	–2.0
361	438	Fourth Financial	4,279	34.5
362	374	United Missouri Bcsh	4,272	5.8
363	■	Alleghany	4,228	6.3
364	355	Citizens Savings	4,228	–1.7
365	381	Times Mirror	4,193	6.2
366	■	Unitrin	4,192	1.8
367	415	Charles Schwab	4,188	20.3
368	333	TCF Financial	4,186	–10.1
369	373	Downey S&L Assn	4,168	1.7
370	392	Humana	4,159	10.7
371	410	Colgate-Palmolive	4,158	17.6
372	391	Cincinnati G&E	4,156	10.0
373	360	Kroger	4,119	–2.9
374	406	Schering-Plough	4,103	13.5
375	■	Rhone-Poulenc Rorer	4,085	128.0
376	376	Natl Community Bks	4,056	0.8
377	369	UA Entertainment	4,039	–1.9
378	384	Williams Cos	4,034	3.4
379	412	Air Prods & Chems	4,030	14.4
380	393	Viacom	4,028	7.3
381	348	American Savings	4,012	–9.4
382	378	Union Planters	4,005	0.1
383	354	PHM	3,993	–7.7
384	361	Premier Bancorp	3,940	–6.8
385	382	DQE	3,919	0.0
386	371	National Medical	3,919	–4.8
387	394	Mead	3,889	3.7
388	362	Ryland Group	3,860	–8.4
389	399	Wilmington Trust	3,834	3.6
390	349	Society for Savings	3,829	–13.3
391	390	Gannett	3,826	1.1
392	397	Southwest Gas	3,764	1.6
393	404	Masco	3,761	3.3
394	423	Kellogg	3,749	10.6
395	442	General Mills	3,733	17.6
396	428	First Bancp Ohio	3,722	11.6
397	387	Summit Bancorp	3,718	–3.8
398	385	Arkla	3,714	1.8
399	411	Liberty National	3,713	5.0
400	452	Trustmark	3,700	19.0
401	403	Hercules	3,700	1.3
402	447	Hawaiian Electric	3,674	17.4
403	359	Old Stone	3,673	–13.5
404	451	Gillette	3,671	17.9
405	434	Upjohn	3,668	13.0
406	468	Melville	3,662	20.8
407	409	San Diego G&E	3,657	3.1
408	483	Equitable of Iowa	3,650	26.5
409	401	Nipsco Industries	3,625	–1.3
410	413	Martin Marietta	3,611	3.0
411	408	Freeport-McMoRan	3,588	0.8
412	459	Toys 'R' Us	3,582	16.5
413	419	Geico	3,576	4.1
414	450	Browning-Ferris Inds	3,563	14.3
415	476	Zions Bancorporation	3,559	19.6
416	444	Valley Bancorp	3,551	12.6
417	440	Penn Central	3,547	11.6
418	422	Centel	3,543	3.7
419	417	Baltimore Bancorp	3,523	1.8
420	436	Tandy	3,514	10.0
421	426	Corning	3,512	4.5
422	■	American Medical	3,500	–20.9
423	405	TW Holdings	3,496	–3.8
424	432	Dauphin Deposit	3,489	7.1
425	429	Kerr-McGee	3,473	4.2
426	456	Farm & Home Finl	3,446	11.7
427	368	Itel	3,443	–16.6
428	439	So New Eng Telecom	3,431	7.9
429	402	Navistar Intl	3,418	–6.5
430	389	Equimark	3,417	–10.1
431	427	St Paul Bancorp	3,417	2.2
432	425	Great Lakes Bancorp	3,392	0.2
433	424	SFFed Corp	3,366	–0.6
434	430	Wisconsin Energy	3,361	1.3
435	486	Great A&P Tea	3,357	17.0
436	■	RR Donnelley & Sons	3,343	33.3
437	480	Southern Natl	3,342	14.3
438	449	Old Republic Intl	3,329	6.6
439	416	Northeast Bancorp	3,325	–4.1
440	463	GATX	3,310	8.2
441	474	Westvaco	3,309	10.4
442	455	Sunwest Financial	3,294	6.7
443	433	Enserch	3,264	0.3
444	487	Warner-Lambert	3,261	14.0
445	414	Cullen/Frost Bankers	3,255	–7.1
446	445	Ohio Casualty	3,253	3.4
447	454	Valhi	3,243	20.7
448	478	Hanover Insurance	3,241	9.7
449	466	Public Service Colo	3,230	6.1
450	473	Quantum Chemical	3,222	7.3
451	457	Sonat	3,196	3.6
452	500	Harcourt Brace	3,182	20.3
453	420	Henley Group	3,170	–7.5
454	489	Apple Computer	3,157	12.2
455	477	General Cinema	3,156	6.2
456	475	Scana	3,145	5.4
457	472	Dresser Industries	3,119	3.7
458	469	Bally Manufacturing	3,109	4.4
459	435	Northrop	3,094	–3.2
460	446	Colorado Natl Bkshs	3,094	–1.6
461	448	Quaker Oats	3,087	2.0
462	138	Fund American Cos	3,087	–73.7
463	498	FirsTier Financial	3,076	15.7
464	453	Greater NY Savings	3,052	–1.7
465	441	Fortune Financial	3,037	–4.3
466	437	Maxxam	3,028	–4.9
467	464	Eaton	3,013	–1.3
468	485	Boston Edison	3,012	4.6
469	■	Dillard Dept Stores	3,008	20.5
470	465	Tribune	3,001	–0.8
471	460	Multibank Financial	2,993	–2.4
472	■	Ingersoll-Rand	2,983	15.0
473	407	Lone Star Tech	2,972	–17.5
474	488	FMC	2,959	5.0
475	471	Inland Steel Inds	2,935	–2.5
476	■	AMP	2,929	15.8
477	461	Paccar	2,906	–5.2
478	■	Baker Hughes	2,906	40.5
479	497	Super Valu Stores	2,874	7.3
480	490	Whitney Holding	2,872	3.8
481	■	Limited	2,872	18.7
482	■	American Petrofina	2,846	13.6
483	484	Bay View Capital	2,843	–1.3
484	■	Phelps Dodge	2,827	12.9
485	494	DPL	2,824	4.8
486	■	Alexander & Alexander	2,809	12.5
487	■	Manville	2,796	5.7
488	■	Johnson Controls	2,795	6.1
489	■	US Trust	2,778	10.0
490	■	Asarco	2,771	13.5
491	495	Fleming Cos	2,768	2.9
492	491	Security Bancorp	2,759	1.2
493	■	Affiliated Bkshs Colo	2,738	4.9
494	431	Western Capital Inv	2,723	–16.7
495	443	Valley Federal S&L	2,721	–14.2
496	■	Compaq Computer	2,718	30.0
497	458	Citizens First Bncp	2,708	–11.9
498	■	Rohm & Haas	2,702	10.0
499	499	Progressive	2,695	1.8
500	■	Ogden	2,693	3.6

■ Not on 500 list in 1989.



For most companies' stock market valuations, appreciation was the rule. But a few stocks enjoyed heady climbs—and some, unsettling falls. In total, the capitalization of the most valuable companies rose 10%.

WHEN YOU SMOOTH OUT the sharp peaks and valleys from the stock market index curves, you find that the aggregate market value of the companies on this list rose 10%, to just over $2.5 trillion, during the past 12 months.

In mid-February IBM traded at its highest level since 1987. Since then, it has lost more than 28 points. By the end of our measuring period, IBM's capitalization of $64 billion was only 6% higher than it was a year earlier. As a result, IBM slipped into third place. This is only the third time in the history of our Market Value 500, which dates back to 1969, that IBM has not appeared at the top (the other issues were in 1975 and 1982).

Rank 1990	Rank 1989	Company	Market value ($mil)	% change
1	2	Exxon	72,084	25.0
2	5	Philip Morris Cos	64,357	76.0
3	1	IBM	63,784	5.7
4	3	General Electric	57,844	1.1
5	10	Wal-Mart Stores	42,413	61.1

One year ago Amgen Inc.'s market value was $1.1 billion. On Mar. 22 of this year, our pricing date, the capitalization of this biotechnology firm was $4.8 billion (since then it has climbed to over $5.2 billion).

What's so hot about Amgen and other biotechnology and medical stocks? Partly, the notion that an aging population means unending growth for them; partly, Wall Street's mood. In Amgen's case, investors are banking on expected profits from erythropoietin, a hormone that stimulates red blood cell production. It's a good chemical—but isn't $5 billion quite a price for a company that earned less than $4 million during the latest 12 months?

Investors raised the market value of Exxon by 25%, more than enough to put it in first place. Contributing cause: the company's 68% gain in profits last year. That gain was, of course, a reflection of higher crude prices, which fell back early this year when the Gulf war started. Philip Morris Cos., which appreciated 76%, is in second place.

RJR Nabisco, which went private in 1989, recently swapped some debt for publicly held stock. It returns to this list in the 55th position, with a market capitalization of over $9 billion. The last time we ranked this company, 1988, it had a capitalization of $11 billion. Safeway, ranked 398, rejoined the public sector in April 1990; it has a market capitalization of around $1.5 billion.

Note that there are some unique reasons certain companies moved down in the rankings. The market value of CBS declined 46%. The stock slipped only 3%, but the company repurchased 10.5 million of its shares. Santa Fe Pacific's capitalization shrank 60%: It spun off its real estate and oil and gas operations. Our stock market report *(beginning on page 284)* shows a price decline for Santa Fe Pacific of only 26%; that's because we added back the value of distributions there.

Winners

Rank 1990	Rank 1989	Company	Market value ($mil)	% change
137	■	Amgen	4,809	350.3
268	■	US Healthcare	2,342	340.9
247	■	US Surgical	2,564	289.5
249	■	Medco Containment	2,544	185.5
375	■	Biomet	1,567	150.1

■ Not on 500 list in 1989.

Losers

Rank 1990	Rank 1989	Company	Market value ($mil)	% change
459	158	Teledyne	1,219	-68.1
463	185	Oracle Systems	1,203	-63.2
446	193	Santa Fe Pacific	1,254	-60.0
424	203	Tandem Computers	1,332	-54.8
460	244	Polaroid	1,214	-50.1

MARKET VALUE

THE FORBES 500

Rank 1990	Rank 1989	Company	Market value ($mil)	% change
6	7	Merck	40,150	45.8
7	8	Bristol-Myers Squibb	40,009	45.8
8	14	Coca-Cola	36,085	44.4
9	4	American Tel & Tel	35,923	-19.5
10	20	Johnson & Johnson	30,446	64.0
11	16	Procter & Gamble	28,523	22.6
12	6	General Motors	28,174*	-12.6
13	15	Chevron	27,367	14.7
14	9	Amoco	27,232	2.1
15	28	PepsiCo	25,930	59.5
16	13	Mobil	25,821	3.2
17	12	BellSouth	25,545	-1.1
18	11	El du Pont	24,449	-6.1
19	18	GTE	21,295	2.6
20	19	Atlantic Richfield	21,196	13.1
21	25	Eli Lilly	20,283	17.7
22	36	Abbott Laboratories	20,212	43.7
23	24	Bell Atlantic	19,660	8.8
24	35	American Intl Group	19,227	26.0
25	22	Minn Mining & Mfg	19,180	3.5
26	31	Waste Management	18,388	17.8
27	29	Ameritech	17,810	9.6
28	32	American Home Prods	17,705	13.7
29	45	Pfizer	17,175	76.5
30	21	Pacific Telesis	16,877	-9.0
31	34	Texaco	16,588	7.6
32	26	Boeing	16,409	-1.9
33	27	Southwestern Bell	16,232	-1.8
34	33	Walt Disney	15,460	-0.1
35	17	Ford Motor	15,425	-30.5
36	37	US West	15,408	13.1
37	30	Nynex	14,407	-10.3
38	44	Anheuser-Busch Cos	14,293	33.3
39	39	Eastman Kodak	13,995	12.4
40	23	Dow Chemical	12,892	-29.0
41	41	American Express	12,889	14.7
42	40	McDonald's	12,077	6.3
43	59	Federal Natl Mortgage	11,687	43.9
44	42	Hewlett-Packard	11,682	5.1
45	38	Sears, Roebuck	11,195	-14.9
46	70	Kellogg	11,129	51.2
47	92	Microsoft	10,837	80.1
48	47	Pacific G&E	10,833	18.8
49	49	Schering-Plough	10,774	20.9
50	90	Marion Merrell Dow	10,641	74.7
51	79	Campbell Soup	10,254	55.2
52	63	HJ Heinz	10,051	28.0
53	75	Warner-Lambert	9,807	41.2
54	52	Emerson Electric	9,686	11.7
55	■	RJR Nabisco	9,424	NA
56	98	General Mills	9,336	62.2
57	68	Limited	9,276	25.4
58	89	American Brands	9,216	49.8
59	58	Berkshire Hathaway	9,082	11.6
60	94	Baxter International	9,071	51.5
61	80	Sara Lee	9,012	39.0
62	60	Southern Co	8,838	9.2
63	65	Intel	8,735	11.4
64	56	SCEcorp	8,549	3.0
65	67	Commonwealth Ed	8,492	14.1
66	46	Digital Equipment	8,411	-11.5
67	82	JP Morgan & Co	8,354	30.4
68	54	Dun & Bradstreet	8,329	-1.4
69	43	Westinghouse	8,306	-22.7
70	73	Upjohn	8,270	16.0
71	69	General Re	8,033	8.6
72	78	Kmart	7,994	16.9
73	51	Capital Cities/ABC	7,848	-10.5
74	48	USX	7,699	-14.5
75	53	Motorola	7,541	-12.7
76	66	Toys 'R' Us	7,454	-3.9
77	88	Phillips Petroleum	7,438	20.8
78	109	Apple Computer	7,389	39.7
79	64	Loews	7,315	-6.7
80	85	Texas Utilities	7,215	15.8
81	97	BankAmerica	7,201	23.9
82	76	Union Pacific	7,187	4.1
83	119	Gillette	7,060	41.0
84	72	Monsanto	6,984	-2.3
85	114	Kimberly-Clark	6,893	34.3
86	86	Norfolk Southern	6,792	9.2
87	81	Gannett	6,682	3.8
88	50	MCI Communications	6,572	-25.7
89	100	International Paper	6,569	17.0
90	103	Rockwell Intl	6,379	16.2
91	87	Archer Daniels	6,376	3.3
92	121	NCR	6,336	29.4
93	122	Ralston Purina	6,256	27.8
94	117	CPC International	6,195	24.5
95	83	ITT	6,194	-3.3
96	74	Unocal	6,188	-12.6
97	179	ConAgra	6,085	80.9
98	91	May Dept Stores	6,065	0.5
99	57	JC Penney	6,018	-27.0
100	108	Time Warner	5,980	11.6
101	172	Home Depot	5,967	69.9
102	104	Pub Svc Enterprise	5,900	7.5
103	101	Duke Power	5,824	5.0
104	118	Marsh & McLennan	5,818	17.0
105	93	Consolidated Edison	5,736	-4.2
106	106	PacifiCorp	5,697	5.3
107	77	United Technologies	5,694	-17.1
108	252	Rhone-Poulenc Rorer	5,619	135.5
109	165	Albertson's	5,606	54.2
110	142	Chubb	5,590	35.8
111	99	Alcoa	5,570	-3.1
112	136	Corning	5,534	28.7
113	102	AMP	5,497	-0.5
114	71	Occidental Petroleum	5,483	-25.2
115	125	Tele-Communications	5,386	11.9
116	55	Tenneco	5,367	-36.2
117	132	Cooper Industries	5,321	19.7
118	170	Food Lion	5,317	50.1
119	146	Banc One	5,302	33.9
120	139	Raytheon	5,294	27.5
121	95	American Electric	5,213	-11.7
122	124	Halliburton	5,207	7.5
123	96	Burlington Resources	5,191	-11.4
124	150	Humana	5,167	32.6
125	61	United Telecom	5,158	-35.1
126	127	Melville	5,147	8.0
127	154	Compaq Computer	5,134	32.7
128	123	Borden	5,081	4.4
129	129	PPG Industries	5,054	10.1
130	152	Colgate-Palmolive	5,033	29.6
131	120	American Cyanamid	5,010	1.6
132	115	Xerox	4,934	-3.5
133	105	Aetna Life & Cas	4,900	-9.8
134	84	Caterpillar	4,869	-22.1
135	131	Dominion Resources	4,851	9.0
136	135	FPL Group	4,813	11.9
137	■	Amgen	4,809	350.3
138	126	Dayton Hudson	4,799	0.1
139	62	Citicorp	4,711	-40.2
140	208	UST Inc	4,632	61.6
141	133	Student Loan	4,584	3.3
142	140	Houston Industries	4,582	10.4
143	113	Weyerhaeuser	4,575	-11.1
144	111	Paramount Commun	4,574	-12.5
145	175	American General	4,457	18.1
146	143	Entergy	4,446	9.0
147	■	Federal Home Loan	4,443	12.6
148	168	Quaker Oats	4,352	21.7
149	116	McCaw Cellular	4,346	-13.5
150	149	Automatic Data	4,221	8.1
151	171	Central & So West	4,211	18.9
152	166	Detroit Edison	4,206	15.7
153	157	Philadelphia Elec	4,205	10.2
154	173	Honeywell	4,158	18.8
155	231	Walgreen	4,139	59.2
156	230	Rubbermaid	3,960	51.7
157	110	Browning-Ferris Inds	3,957	-24.9
158	144	Woolworth	3,956	-2.7
159	176	Fluor	3,906	13.7
160	159	Amerada Hess	3,894	-2.4
161	167	Pitney Bowes	3,866	6.7
162	112	Allied-Signal	3,839	-26.2
163	107	Deere & Co	3,824	-29.2
164	160	Carolina Power & Lt	3,797	0.4
165	278	Liz Claiborne	3,791	77.3
166	156	Georgia-Pacific	3,750	-2.5
167	207	Reader's Digest Assn	3,747	29.8
168	240	Dillard Dept Stores	3,739	48.5
169	227	National Medical	3,732	41.0
170	182	Baker Hughes	3,696	11.8

■ Not on 500 list in 1989. NA: Not available.

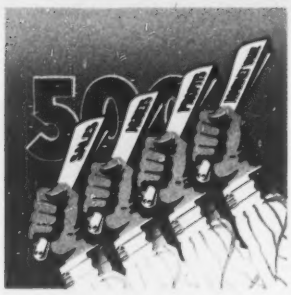
*Includes Class E and H stock.

Rank 1990	Rank 1989	Company	Market value ($mil)	% change
171	130	Times Mirror	3,694	-17.1
172	211	Hershey Foods	3,664	31.1
173	169	Wells Fargo	3,646	2.8
174	174	RR Donnelley & Sons	3,641	4.1
175	178	CSX	3,587	6.0
176	164	Consol Natural Gas	3,518	-3.7
177	197	Ethyl	3,506	16.9
178	153	Sun Company	3,504	-9.7
179	393	Novell	3,482	144.5
180	186	Reynolds Metals	3,481	6.7
181	145	AMR	3,468	-14.2
182	219	SunTrust Banks	3,455	27.7
183	216	Air Prods & Chems	3,447	26.5
184	226	First Wachovia	3,402	28.4
185	263	Gap	3,390	48.4
186	190	Bankers Trust NY	3,389	7.3
187	189	Coastal Corp	3,380	6.4
188	257	NIKE	3,378	42.9
189	151	Cigna	3,343	-14.1
190	346	Medtronic	3,331	97.4
191	271	Merrill Lynch	3,310	50.7
192	192	Pennsylvania P&L	3,301	4.8
193	148	Masco	3,288	-16.2
194	232	Sysco	3,257	25.3
195	180	Dresser Industries	3,237	-3.3
196	234	Deluxe	3,221	25.8
197	155	Chrysler	3,197	-16.9
198	196	Primerica	3,154	5.1
199	177	UAL	3,080	-10.2
200	276	Rohm & Haas	3,071	43.5
201	202	Texas Instruments	3,067	3.8
202	204	Genuine Parts	3,054	3.8
203	218	Union Electric	3,051	12.8
204	283	Alltel	3,050	43.8
205	147	NCNB	3,034	-22.6
206	295	Sun Microsystems	3,028	46.4
207	237	Salomon	3,004	18.2
208	229	Illinois Tool Works	2,983	13.5
209	267	Intl Flavors & Frags	2,982	32.1
210	163	Delta Air Lines	2,966	-20.2
211	134	Security Pacific	2,946	-31.8
212	279	American Stores	2,932	37.2
213	188	Pennzoil	2,924	-8.9
214	128	Oryx Energy	2,918	-38.7
215	249	Morgan Stanley	2,874	25.3
216	183	Scott Paper	2,872	-13.0
217	198	St Paul Cos	2,861	-4.5
218	225	Enron	2,847	7.4
219	161	PNC Financial	2,843	-24.5
220	253	Winn-Dixie Stores	2,835	18.9
221	261	Becton Dickinson	2,830	23.0
222	274	NBD Bancorp	2,827	30.9
223	233	McGraw-Hill	2,813	9.8
224	200	Ohio Edison	2,804	-5.7
225	338	Great Lakes Chemical	2,789	58.7
226	238	Torchmark	2,762	9.1
227	277	Genentech	2,752	28.7
228	246	Nordstrom	2,738	12.8
229	245	Union Camp	2,715	11.8
230	201	Transamerica	2,703	-8.7
231	213	Viacom	2,682	-2.9
232	275	Martin Marietta	2,680	24.8
233	319	H&R Block	2,680	41.5
234	187	Washington Post	2,669	-17.2
235	220	Centerior Energy	2,664	-1.0
236	290	Textron	2,651	27.4
237	215	Centel	2,649	-3.4
238	242	General Public Utils	2,645	8.2
239	205	Tribune	2,645	-10.0
240	236	WR Grace	2,636	3.3
241	307	Reebok International	2,611	31.1
242	214	Carnival Cruise Lines	2,610	-4.8
243	191	Pacific Enterprises	2,607	-17.4
244	262	Lockheed	2,599	13.5
245	224	Whitman	2,597	-2.3
246	337	Tyson Foods	2,588	47.2
247	■	US Surgical	2,564	289.5
248	280	Long Island Lighting	2,560	20.3
249	■	Medco Containment	2,544	185.5
250	258	San Diego G&E	2,518	6.6
251	■	C&S/Sovran	2,517	-31.2
252	272	Geico	2,502	14.4
253	228	Knight-Ridder	2,475	-6.0
254	325	Norwest	2,468	34.6
255	209	Dow Jones	2,460	-13.3
256	221	CMS Energy	2,443	-9.2
257	184	Newmont Mining	2,437	-25.9
258	217	Tandy	2,420	-10.7
259	235	Champion Intl	2,406	-5.9
260	250	Baltimore G&E	2,403	0.3
261	247	Dover	2,392	-0.5
262	310	Avon Products	2,391	21.2
263	437	Costco Wholesale	2,389	93.0
264	264	Safeco	2,377	4.0
265	333	Nalco Chemical	2,355	32.8
266	341	Bausch & Lomb	2,353	35.6
267	181	Travelers	2,345	-29.8
268	■	US Healthcare	2,342	340.9
269	199	TRW	2,340	-21.9
270	266	Aon	2,320	1.1
271	210	Ingersoll-Rand	2,273	-19.2
272	292	Phelps Dodge	2,269	9.2
273	303	Tyco Laboratories	2,259	12.5
274	320	First Union	2,252	19.2
275	312	Wm Wrigley Jr	2,252	16.7
276	287	Columbia Gas System	2,240	6.7
277	313	Wisconsin Energy	2,240	16.1
278	138	CBS	2,238	-46.2
279	268	Northeast Utilities	2,234	-0.4
280	269	Lincoln National	2,222	-0.2
281	195	Union Carbide	2,216	-28.0
282	265	No States Power	2,213	-2.4
283	212	Burlington Northern	2,200	-20.5
284	301	Arkla	2,193	8.6
285	270	AMAX	2,189	-1.6
286	289	Gt Western Financial	2,185	4.7
287	364	Gerber Products	2,177	38.7
288	305	Price Co	2,173	8.7
289	327	Morton International	2,172	19.6
290	450	Imcera Group	2,145	81.9
291	317	Brown-Forman	2,142	12.6
292	285	Castle & Cooke	2,141	1.1
293	282	Clorox	2,134	0.5
294	476	St Jude Medical	2,117	93.8
295	293	Capital Holding	2,111	1.6
296	286	Potomac Electric	2,108	0.1
297	329	Freeport-McMoRan	2,098	16.0
298	315	Coca-Cola Enterprises	2,096	9.2
299	372	Tambrands	2,094	36.3
300	309	James River Corp Va	2,094	5.3
301	239	Kerr-McGee	2,073	-17.8
302	316	Super Valu Stores	2,068	8.5
303	255	So New Eng Telecom	2,060	-13.1
304	300	WW Grainger	2,051	1.4
305	■	Unitrin	2,048	NA
306	294	Allegheny Power	2,040	-1.6
307	314	Florida Progress	2,036	6.0
308	302	Great A&P Tea	2,025	0.7
309	281	National City	2,024	-4.7
310	342	Temple-Inland	2,020	16.4
311	436	ALZA Corp	1,984	59.9
312	260	Turner Broadcasting	1,977	-14.5
313	347	HF Ahmanson	1,971	17.2
314	363	UNUM	1,964	25.0
315	298	Eaton	1,960	-4.3
316	330	Niagara Mohawk Pwr	1,957	9.5
317	352	Hercules	1,902	16.3
318	241	Hilton Hotels	1,900	-23.4
319	304	Consolidated Rail	1,895	-5.5
320	395	Republic New York	1,892	34.0
321	368	Sherwin-Williams	1,891	21.2
322	308	Sonat	1,886	-5.2
323	340	Westvaco	1,883	8.3
324	353	TECO Energy	1,876	14.9
325	376	CoreStates Financial	1,874	25.6
326	206	Federal Express	1,873	-35.9
327	288	Whirlpool	1,858	-11.1
328	408	Pall	1,850	36.1
329	440	Blockbuster	1,846	51.2
330	370	Roadway Services	1,843	19.8
331	373	Newell Co	1,840	22.0
332	489	Safety-Kleen	1,829	72.2
333	194	Chase Manhattan	1,828	-41.3
334	311	First Interstate Bncp	1,827	-7.1
335	324	UA Entertainment	1,826	-1.1

■ Not on 500 list in 1989. NA: Not available.

Rank 1990	Rank 1989	Company	Market value ($mil)	% change
336	297	Ashland Oil	1,824	-11.6
337	431	Square D	1,823	44.2
338	254	Bank of New York	1,821	-23.7
339	417	Rite Aid	1,805	36.5
340	447	American Family	1,803	50.4
341	357	Comcast	1,798	11.9
342	415	Lubrizol	1,796	35.3
343	335	Golden West Finl	1,789	1.4
344	382	Crown Cork & Seal	1,780	21.4
345	485	Kroger	1,771	64.2
346	401	Lyondell Petrochem	1,760	27.5
347	248	Mfrs Hanover	1,756	-27.0
348	334	Litton Industries	1,751	-0.8
349	433	Geo A Hormel	1,726	37.4
350	407	Circus Circus	1,719	26.4
351	259	Fleet/Norstar Finl	1,717	-25.8
352	345	New England Electric	1,714	1.3
353	405	State Street Boston	1,714	25.0
354	396	Sigma-Aldrich	1,712	22.2
355	367	Giant Food	1,710	9.5
356	322	New York Times	1,691	-8.8
357	■	Chiquita Brands Intl	1,681	116.4
358	371	Cincinnati G&E	1,680	9.2
359	■	Community Psych	1,679	65.7
360	306	Mead	1,668	-16.4
361	398	Nucor	1,652	18.1
362	392	NY State E&G	1,616	13.4
363	403	BHC Commun	1,612	17.2
364	321	Homestake Mining	1,611	-14.3
365	■	National Health Labs	1,610	30.1
366	388	US Bancorp	1,609	10.8
367	344	FlightSafety Intl	1,602	-5.9
368	360	Amdahl	1,598	0.3
369	328	Consolidated Papers	1,592	-12.0
370	386	Oklahoma G&E	1,587	8.9
371	464	Interpublic Group	1,580	38.5
372	358	General Cinema	1,577	-1.8
373	361	Hillenbrand Inds	1,574	-0.2
374	383	Sonoco Products	1,572	7.3
375	■	Biomet	1,567	150.1
376	349	Anadarko Petroleum	1,567	-6.1
377	339	Household Intl	1,553	-11.4
378	444	Cincinnati Financial	1,552	28.3
379	332	Maytag	1,547	-13.2
380	410	Fifth Third Bancorp	1,546	14.5
381	223	Marriott	1,526	-42.9
382	323	Kemper	1,520	-17.8
383	■	Allergan	1,507	48.2
384	222	Computer Associates	1,504	-43.8
385	384	Premier Industrial	1,493	2.1
386	467	Bruno's	1,490	31.6
387	387	Jefferson-Pilot	1,488	2.4
388	441	First Fidelity Bncp	1,484	21.8
389	365	Cincinnati Bell	1,478	-5.6
390	■	McCormick & Co	1,478	75.6
391	356	Continental Corp	1,476	-8.3
392	351	EW Scripps	1,472	-10.5
393	■	Avery Dennison	1,472	-10.2
394	421	Scana	1,472	13.7
395	■	Forest Labs	1,470	94.9
396	377	Stanley Works	1,457	-1.8
397	■	Equifax	1,452	80.4
398	■	Safeway	1,447	NA
399	343	Citizens Utilities	1,438	-16.1
400	■	Betz Laboratories	1,426	56.7
401	284	McDonnell Douglas	1,423	-32.9
402	412	Mapco	1,418	5.9
403	399	Mercantile Stores	1,409	2.0
404	484	Molex	1,408	30.5
405	418	DPL	1,406	6.7
406	362	Union Texas Petrol	1,403	-10.8
407	■	Conner Peripherals	1,391	80.1
408	299	Chemical Banking	1,390	-32.0
409	452	Hubbell	1,389	24.2
410	■	Jostens	1,374	33.7
411	456	American Petrofina	1,373	18.2
412	419	Pioneer Hi-Bred Intl	1,372	4.1
413	331	VF	1,368	-23.3
414	439	Nipsco Industries	1,365	10.4
415	296	First Chicago	1,362	-34.1
416	402	Illinois Power	1,362	-1.3
417	379	Dreyfus	1,361	-8.1
418	375	Paccar	1,361	-9.3
419	326	Barnett Banks	1,361	-25.6
420	471	Bear Stearns Cos	1,360	21.2
421	■	Northrop	1,354	81.2
422	465	DQE	1,344	18.2
423	470	Fund American Cos	1,332	18.4
424	203	Tandem Computers	1,332	-54.8
425	422	Alco Standard	1,331	3.2
426	409	Weis Markets	1,331	-2.1
427	432	Franklin Resources	1,330	5.2
428	454	Hasbro	1,324	13.4
429	473	Boatmen's Bancshs	1,320	19.9
430	256	Panhandle Eastern	1,319	-44.3
431	■	First Bank System	1,316	55.2
432	336	Vulcan Materials	1,300	-26.2
433	374	Murphy Oil	1,297	-13.8
434	416	Snap-on Tools	1,295	-2.4
435	273	Goodyear	1,294	-40.3
436	■	Progressive	1,291	45.7
437	466	MBIA	1,283	13.2
438	427	Williams Cos	1,272	0.0
439	420	National Service	1,271	-3.1
440	425	Gulf States Utils	1,270	-1.1
441	380	Ryder System	1,262	-14.7
442	355	Penn Central	1,259	-22.1
443	■	Acuson	1,257	56.1
444	434	FMC	1,257	0.3
445	359	Enserch	1,255	-21.7
446	193	Santa Fe Pacific	1,254	-60.0
447	■	CR Bard	1,253	52.0
448	429	Public Service Colo	1,250	-1.6
449	385	McKesson	1,246	-14.8
450	435	Bandag	1,244	0.2
451	443	Greyhound Dial	1,237	2.2
452	366	General Dynamics	1,229	-21.4
453	404	Willamette Inds	1,227	-10.6
454	491	Northern Trust	1,226	13.2
455	479	Society	1,226	12.6
456	457	Louisiana Land	1,223	5.3
457	438	Cellular Commun	1,222	-1.2
458	■	Mattel	1,219	26.2
459	158	Teledyne	1,219	-68.0
460	244	Polaroid	1,214	-50.1
461	430	Brunswick	1,214	-4.1
462	■	Dean Foods	1,206	47.3
463	185	Oracle Systems	1,203	-63.2
464	460	Hartford Steam Boiler	1,203	3.8
465	469	Puget Sound P&L	1,202	6.8
466	482	American Greetings	1,199	10.8
467	487	KeyCorp	1,193	11.9
468	390	Parker Hannifin	1,190	-16.8
469	455	Nicor	1,188	2.2
470	■	Fleming Cos	1,184	22.2
471	■	E-Systems	1,182	28.0
472	445	Asarco	1,180	-2.2
473	451	Autodesk	1,178	0.2
474	■	Loctite	1,174	44.6
475	■	Vons Cos	1,172	47.6
476	446	Southwestern Pub Svc	1,171	-2.6
477	413	Alexander & Baldwin	1,167	-12.7
478	475	Beneficial Corp	1,163	6.2
479	■	Engelhard	1,159	41.9
480	394	Dana	1,154	-18.6
481	463	EG&G	1,148	0.6
482	■	Service Corp Intl	1,147	56.6
483	■	Millipore	1,145	52.3
484	■	Mellon Bank	1,143	25.4
485	490	Intergraph	1,141	8.3
486	■	PH Glatfelter	1,129	13.7
487	■	IMC Fertilizer Group	1,126	20.1
488	468	TJX Cos	1,117	-0.8
489	■	Chiron	1,109	142.7
490	499	Montana Power	1,109	6.6
491	411	Sundstrand	1,108	-17.4
492	483	King World Prods	1,103	2.1
493	348	Louisiana-Pacific	1,103	-34.2
494	■	Kansas City P&L	1,103	9.2
495	493	Kelly Services	1,098	4.4
496	448	Johnson Controls	1,094	-8.2
497	■	Adobe Systems	1,079	41.3
498	318	Valhi	1,077	-43.2
499	■	Bergen Brunswig	1,074	28.3
500	378	Bethlehem Steel	1,072	-27.6

■ Not on 500 list in 1989. NA: Not available.



Although profits per employee in America's 776 largest corporations dropped sharply last year, sales per employee were higher than they were a year earlier. This gain in productivity should translate into healthy profits once the recession passes. Here is a report on the productivity leaders and laggards in each industry.

The biggest employers

Rank 1990	Rank 1989	Company	Employees (000)	% change
1	1	General Motors	761.4	-1.8
2	2	Sears, Roebuck	480.0	-5.9
3	4	Ford Motor	381.4	4.0
4	3	IBM	378.5	-1.7
5	5	Kmart	369.0	2.5

LAST YEAR the 776 Forbes 500s companies increased their payrolls by 1.4%, to nearly 21 million workers. But their combined net income fell over 11%, to $154 billion. As a result, average profits per employee fell 12.5%, to $7,490. That's the overall drop. The decline in profits per employee of the median firm in this survey dropped more severely, by 15%, to just $8,550.

But there is some brighter news. Measured by revenues, big companies improved their productivity. Sales per employee at the median company hit $191,400 last year, a 3.4% gain over the previous year.

According to Stephen Roach, senior economist at Morgan Stanley, the manufacturing sector is in pretty good shape to weather the recession. He cites improved productivity through preemptive layoffs, reduced inventories and the closure of inefficient plants. Roach is less optimistic about the service industry. Less threatened by foreign competition, the service sector, says Roach, has been more complacent about cost control.

Profitability ratios that deviate significantly from industry medians often signal unusual financial circumstances, not unusually gifted management. BHC Communications shows profits per employee of $562,800, but BHC is little more than a holding company, with a $1.5 billion hoard of cash and Time Warner preferred stock.

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Aerospace & defense							
1	Whittaker	57.8	126.3	(9)	163.8	(4)	1.5
2	General Electric	14.6	198.0	(1)	521.6	(1)	295.0
3	Sundstrand	8.7	122.1	(12)	120.8	(6)	13.1
4	Boeing	8.6	170.7	(2)	90.2	(11)	161.7
5	Loral	7.6	159.8	(3)	217.9	(3)	11.2
6	Raytheon	7.2	120.1	(13)	79.3	(15)	77.2
7	Rockwell Intl	5.9	118.0	(14)	90.8	(10)	105.3
8	Northrop	5.3	138.6	(6)	78.1	(16)	39.6
9	Martin Marietta	5.1	96.1	(22)	56.6	(20)	63.8
9	Textron	5.1	141.4	(5)	265.0	(2)	56.0
11	E-Systems	4.7	99.6	(21)	53.7	(21)	18.2
12	Allied-Signal	4.3	116.0	(15)	98.2	(9)	106.5
12	GenCorp	4.3	122.4	(10)	74.3	(17)	14.5
12	Lockheed	4.3	128.1	(8)	88.2	(13)	77.8
15	United Technologies	3.8	108.8	(17)	80.8	(14)	197.0
16	Litton Industries	3.4	101.8	(18)	99.6	(8)	50.7
17	Grumman	3.1	145.1	(4)	89.2	(12)	27.5
18	TRW	2.8	109.0	(16)	74.1	(18)	75.0
19	McDonnell Douglas	2.5	130.5	(7)	120.1	(7)	124.6
20	Teledyne	2.0	100.9	(20)	48.8	(22)	34.2
21	Sequa	1.8	122.2	(11)	139.0	(5)	18.1
22	General Dynamics	-5.8	101.6	(19)	65.6	(19)	100.2
	Industry medians	4.5	122.2		89.7		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Business-industrial services							
1	Waste Management	13.6	116.0	(4)	202.3	(1)	52.0
2	Safety-Kleen	10.0	107.1	(5)	130.6	(3)	5.5
3	Millipore	4.6	117.2	(3)	122.4	(4)	6.0
4	JWP	2.7	128.5	(1)	67.5	(5)	22.0
5	Ogden	1.3	36.8	(6)	63.4	(6)	42.5
6	Browning-Ferris Inds	-2.0	120.5	(2)	140.5	(2)	25.4
	Industry medians	3.7	116.6		126.5		
Business-services							
1	FlightSafety Intl	30.3	109.2	(3)	248.4	(2)	2.5
2	Kelly Services	18.5	382.0	(2)	115.3	(3)	3.9
3	PHH	8.2	457.7	(1)	991.6	(1)	4.3
	Industry medians	18.5	382.0		248.4		
Business-supplies							
1	Comdisco	43.3	1,050.6	(1)	2,538.1	(1)	1.9
2	Minn Mining & Mfg	14.8	147.0	(4)	125.1	(4)	88.6
3	Deluxe	10.1	82.9	(7)	54.2	(7)	17.1
4	Alco Standard	8.6	243.0	(2)	104.3	(5)	18.0
5	Pitney Bowes	7.0	104.2	(6)	197.6	(3)	30.7
6	Xerox	2.2	162.9	(3)	285.5	(2)	110.3
7	Avery Dennison	0.3	136.2	(5)	99.4	(6)	19.0
	Industry medians	8.6	147.0		125.1		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Capital goods–electrical equipment							
1	Hubbell	15.8	132.4	(2)	115.0	(3)	5.4
2	WW Grainger	15.6	237.5	(1)	142.7	(2)	8.1
3	Premier Industrial	14.9	124.1	(3)	65.3	(7)	5.2
4	Emerson Electric	8.4	104.9	(5)	87.5	(4)	73.7
5	Square D	6.4	87.2	(7)	77.0	(5)	19.0
6	Honeywell	6.1	100.4	(6)	75.6	(6)	62.8
7	National Service	4.3	77.1	(8)	45.1	(8)	21.3
8	Westinghouse	2.3	111.6	(4)	190.3	(1)	115.8
	Industry medians	7.4	108.3		82.3		
Capital goods–heavy equipment							
1	Illinois Tool Works	10.7	149.2	(5)	126.1	(6)	17.1
2	Dover	7.7	109.1	(10)	72.5	(13)	20.3
3	Deere & Co	7.5	198.3	(1)	282.5	(1)	38.7
4	Cooper Industries	6.3	107.7	(11)	124.0	(7)	57.8
5	Tenneco	6.2	159.5	(4)	209.2	(2)	91.0
6	Stanley Works	6.0	111.2	(9)	84.0	(10)	17.8
7	Harnischfeger Inds	5.7	141.3	(6)	130.1	(5)	12.2
7	Ingersoll-Rand	5.7	114.4	(8)	91.3	(9)	32.7
9	Foster Wheeler	4.5	195.7	(2)	169.8	(4)	8.5
10	Caterpillar	3.5	191.7	(3)	200.3	(3)	59.7
11	Parker Hannifin	3.4	81.2	(15)	64.0	(15)	31.0
12	Timken	3.1	94.2	(14)	100.5	(8)	18.1
13	Trinova	2.2	95.3	(13)	64.1	(14)	20.5
14	General Signal	–1.9	96.4	(12)	73.6	(12)	17.6
15	Cummins Engine	–6.6	138.5	(7)	83.5	(11)	25.0
	Industry medians	5.7	114.4		100.5		
Chemicals–diversified							
1	Dow Chemical	22.3	318.5	(1)	385.8	(1)	62.1
2	El du Pont	15.9	274.1	(2)	263.2	(3)	144.9
2	Rohm & Haas	15.9	217.6	(4)	208.1	(6)	13.0
4	Monsanto	13.1	216.1	(5)	221.9	(5)	41.6
5	BF Goodrich	11.4	203.6	(6)	198.0	(7)	11.9
6	American Cyanamid	10.5	135.6	(11)	151.1	(9)	33.7
7	Union Carbide	8.2	202.3	(7)	231.8	(4)	37.7
8	FMC	6.5	155.1	(9)	123.3	(10)	24.0
9	Olin	5.5	169.4	(8)	122.0	(11)	15.3
10	Hercules	4.4	148.3	(10)	171.4	(8)	21.6
11	Quantum Chemical	2.2	268.5	(3)	330.5	(2)	9.8
	Industry medians	10.5	203.6		208.1		
Chemicals–specialized							
1	Lyondell Petrochem	160.0	2,919.1	(1)	616.6	(2)	2.2
2	Georgia Gulf	78.7	769.1	(2)	376.8	(4)	1.2
3	Freeport-McMoRan	41.9	211.0	(10)	478.9	(3)	7.5
4	Ethyl	41.5	448.9	(3)	1,194.6	(1)	5.6
5	Intl Flavors & Frags	37.3	229.2	(6)	268.8	(9)	4.2
5	Lubrizol	37.3	284.8	(5)	218.5	(11)	5.1
7	Gt Lakes Chemical	26.8	203.1	(11)	267.9	(10)	5.3
8	Nalco Chemical	23.1	213.6	(8)	182.7	(13)	5.7
9	Loctite	18.8	154.7	(15)	136.3	(16)	3.6
10	Betz Laboratories	18.4	168.1	(14)	120.4	(20)	3.6
11	Sigma-Aldrich	18.0	133.8	(19)	132.9	(17)	4.0
12	Air Prods & Chems	17.2	211.2	(9)	286.8	(6)	14.1
13	Morton International	15.4	198.8	(12)	209.0	(12)	9.1
14	IMC Fertilizer Group	14.8	189.0	(13)	274.1	(8)	6.0
15	Cabot	7.5	298.1	(4)	319.4	(5)	5.8
16	Pall	11.3	97.8	(21)	123.0	(18)	6.3
17	Witco	9.3	223.0	(7)	161.1	(14)	7.3
18	Sherwin-Williams	7.4	136.9	(18)	90.8	(21)	16.6
19	Valhi	6.2	141.6	(16)	274.9	(7)	11.8
20	Gt American Mgmt	5.3	138.6	(17)	139.9	(15)	13.5
21	WR Grace	4.0	132.7	(20)	122.3	(19)	50.9
	Industry medians	18.0	203.1		218.5		
Computers & communications–hardware							
1	Compaq Computer	44.4	351.1	(2)	265.1	(3)	10.3
2	Apple Computer	34.5	395.3	(1)	217.4	(7)	14.5
3	Intel	27.8	167.5	(11)	229.6	(5)	23.4
4	Cray Research	23.7	168.7	(10)	198.1	(9)	4.8
5	Amdahl	21.8	255.5	(3)	275.4	(2)	8.5
6	Itel	16.3	244.0	(5)	425.0	(1)	8.1
7	IBM	15.9	182.3	(8)	231.3	(4)	378.5
8	Sun Microsystems	13.9	254.7	(4)	201.0	(8)	10.8
9	AMP	11.7	124.0	(15)	119.3	(13)	24.6
10	Molex	10.1	99.9	(23)	102.9	(17)	6.5
11	Tandem Computers	9.6	182.9	(7)	183.8	(10)	10.2
12	Hewlett-Packard	8.2	144.8	(12)	119.0	(14)	93.5
13	Storage Technology	7.7	124.0	(15)	113.9	(16)	9.2
14	Avnet	7.1	219.5	(6)	146.9	(11)	8.0
15	Intergraph	7.0	117.4	(17)	102.0	(18)	8.9
16	NCR	6.6	113.2	(18)	81.9	(22)	55.5
17	Penn Central	6.1	134.2	(13)	221.0	(6)	16.1
18	Motorola	4.8	104.2	(20)	83.7	(21)	104.5
19	Seagate Technology	2.8	74.6	(27)	51.6	(26)	35.8
20	EG&G	2.4	79.8	(26)	21.8	(28)	31.0
21	Conner Peripherals	1.8	180.8	(9)	119.0	(14)	7.4
22	Harris Corp	1.1	89.2	(25)	75.8	(24)	34.3
23	Control Data	0.2	104.1	(21)	87.6	(20)	16.3
24	Texas Instruments	–0.5	91.1	(24)	70.0	(25)	72.1
25	Digital Equipment	–0.8	104.7	(19)	92.7	(19)	124.9
26	Natl Semiconductor	–4.7	52.8	(28)	36.2	(27)	32.5
27	Unisys	–5.5	128.3	(14)	130.6	(12)	78.8
28	Wang Laboratories	–28.9	103.0	(22)	76.1	(23)	23.0
	Industry medians	7.1	126.2		119.0		
Computers & communications–software							
1	Adobe Systems	89.8	378.3	(1)	326.7	(2)	0.4
2	Microsoft	73.5	305.6	(2)	282.5	(3)	4.8
3	Autodesk	56.5	236.9	(3)	264.2	(4)	1.0
4	Novell	47.0	225.3	(4)	230.7	(6)	2.3
5	Computer Associates	24.6	199.0	(5)	242.3	(5)	6.6

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
6	Automatic Data	11.0	86.8	(8)	75.6	(8)	20.0
7	Oracle Systems	10.5	193.2	(6)	156.0	(7)	5.5
8	First Financial Mgmt	8.2	144.3	(7)	615.6	(1)	8.9
9	Computer Sciences	3.3	81.5	(9)	46.2	(9)	20.6
	Industry medians	24.6	199.0		242.3		
Computers & communications-telecommunications							
1	McCaw Cellular	64.8	181.0	(4)	1,520.0	(1)	5.7
2	Citizens Utilities	57.6	216.7	(2)	747.1	(2)	1.7
3	Cellular Commun	34.4	154.5	(6)	575.4	(3)	0.7
4	Alltel	19.3	157.4	(5)	262.4	(14)	10.0
5	US West	17.6	146.4	(8)	397.6	(4)	68.0
6	Southwestern Bell	16.6	137.1	(13)	334.0	(7)	66.5
7	Ameritech	16.4	139.3	(12)	283.7	(11)	76.6
8	Bell Atlantic	16.3	153.1	(7)	348.5	(6)	80.4
9	BellSouth	16.1	141.2	(11)	297.3	(9)	101.6
10	Pacific Telesis	15.3	144.7	(9)	321.4	(8)	67.1
11	MCI Communications	13.7	351.4	(1)	377.5	(5)	21.9
12	So New Eng Telecom	10.6	130.0	(15)	275.4	(13)	12.5
13	Nynex	10.0	143.6	(10)	281.7	(12)	94.6
14	GTE	9.9	117.8	(16)	216.5	(16)	156.0
15	American Tel & Tel	9.8	133.8	(14)	157.1	(17)	278.6
16	Cincinnati Bell	8.0	88.9	(18)	144.3	(18)	11.4
17	United Telecom	7.3	197.6	(3)	249.9	(15)	42.2
18	Centel	5.2	92.4	(17)	285.0	(10)	12.4
	Industry medians	15.7	144.2		291.2		
Construction-builders							
1	PHM	16.5	640.0	(2)	2,218.3	(1)	1.8
2	Centex	11.2	467.1	(4)	431.1	(3)	4.9
3	Ryland Group	9.0	543.8	(3)	1,598.8	(2)	2.4
4	Fluor	6.8	346.9	(5)	115.9	(5)	21.1
5	CBI Industries	4.4	126.1	(7)	114.6	(6)	12.5
6	Morrison Knudsen	2.7	130.1	(6)	73.2	(7)	12.7
7	Turner Corp	-3.4	1,040.3	(1)	249.8	(4)	3.1
	Industry medians	6.8	467.1		249.8		
Consumer durables-appliances							
1	Maytag	3.9	121.6	(2)	102.9	(3)	25.1
2	Whirlpool	1.9	175.3	(1)	148.6	(1)	37.8
3	Black & Decker	1.2	117.9	(3)	143.6	(2)	41.0
	Industry medians	1.9	121.6		143.6		
Consumer durables-automobiles & trucks							
1	Armstrong World Inds	5.3	100.4	(6)	85.2	(6)	25.2
2	Paccar	5.2	225.3	(4)	235.7	(5)	12.3
3	Ford Motor	2.3	256.0	(3)	455.2	(1)	381.4
4	Chrysler	0.6	278.5	(1)	421.8	(2)	109.9
5	Navistar Intl	-2.2	270.3	(2)	242.5	(3)	14.1
6	General Motors	-2.6	163.8	(5)	236.4	(4)	761.4
	Industry medians	1.5	240.7		239.5		
Consumer durables-automotive parts							
1	Bandag	32.4	240.8	(1)	161.1	(2)	2.4
2	PPG Industries	13.5	170.6	(3)	173.0	(1)	35.3
3	Snap-on Tools	13.4	123.7	(5)	120.6	(5)	7.5
4	Genuine Parts	12.9	207.5	(2)	84.5	(6)	16.0
5	Eaton	4.8	96.6	(9)	80.0	(8)	37.7
6	Echlin	2.6	95.5	(10)	73.8	(9)	17.3
7	Johnson Controls	2.1	106.4	(7)	64.9	(11)	43.1
8	Dana	2.0	141.2	(4)	122.0	(4)	37.0
9	Arvin Industries	1.9	95.0	(11)	67.1	(10)	17.8
10	Goodyear	-0.4	104.7	(8)	83.2	(7)	107.7
11	Masco Industries	-1.8	113.6	(6)	151.3	(3)	13.8
	Industry medians	2.6	113.6		84.5		
Consumer durables-home furnishings							
1	Rubbermaid	16.5	176.3	(1)	128.1	(1)	8.7
2	Newell Co	9.6	101.2	(3)	82.2	(2)	10.6
3	Premark Intl	2.0	107.1	(2)	80.1	(3)	25.4
4	Springs Industries	-0.3	82.4	(4)	52.7	(4)	22.8
	Industry medians	5.8	104.2		81.2		
Consumer nondurables-apparel & shoes							
1	NIKE	68.9	674.0	(2)	405.8	(2)	4.3
2	Reebok International	56.2	686.8	(1)	446.3	(1)	3.1
3	Liz Claiborne	35.6	298.6	(3)	170.1	(3)	5.8
4	Russell	4.9	51.6	(7)	57.4	(6)	13.8
5	Shaw Industries	4.7	130.6	(4)	62.3	(5)	12.7
6	Fruit of the Loom	2.9	53.1	(6)	80.1	(4)	26.9
7	VF	1.9	61.6	(5)	43.7	(7)	42.4
	Industry medians	4.9	130.6		80.1		
Consumer nondurables-personal products							
1	DeSoto	320.7	270.3	(3)	388.7	(1)	0.3
2	Clorox	26.0	288.6	(2)	286.4	(2)	5.4
3	Tambrands	23.0	148.6	(7)	89.7	(12)	4.3
4	Procter & Gamble	20.6	307.5	(1)	245.2	(3)	84.1
5	Johnson & Johnson	13.8	135.9	(9)	115.0	(11)	82.7
6	Colgate-Palmolive	12.9	229.5	(4)	167.7	(6)	24.8
7	Gillette	12.1	142.9	(8)	120.8	(10)	30.4
8	Kimberly-Clark	10.9	161.0	(6)	132.7	(9)	39.8
9	Avon Products	6.6	116.1	(11)	69.2	(13)	29.8
10	Service Corp Intl	6.5	57.7	(13)	169.7	(5)	9.8
11	Scott Paper	4.9	178.0	(5)	229.3	(4)	30.1
12	James River Corp Va	2.0	135.4	(10)	143.5	(8)	40.0
13	Greyhound Dial	0.4	95.2	(12)	147.0	(7)	37.0
	Industry medians	12.1	148.6		147.0		
Consumer nondurables-photography & toys							
1	Polaroid	13.0	169.9	(2)	146.6	(3)	11.6
2	Hasbro	11.6	197.4	(1)	166.9	(2)	7.7
3	Mattel	7.8	125.2	(4)	79.1	(4)	11.8
4	Eastman Kodak	5.2	138.9	(3)	177.2	(1)	136.1
	Industry medians	9.7	154.4		156.8		
Electric utilities-North central							
1	DPL	52.3	323.4	(4)	965.9	(6)	2.9
2	Detroit Edison	51.6	331.9	(1)	1,061.4	(5)	10.0
3	Cincinnati G&E	44.2	271.0	(10)	783.1	(11)	5.3

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
4	Union Electric	41.7	286.8	(7)	808.4	(10)	7.1
5	Ipalco Enterprises	41.3	260.2	(14)	766.7	(13)	2.3
6	Ohio Edison	41.1	324.9	(2)	1,144.9	(3)	6.8
7	Kansas City P&L	35.9	265.7	(12)	907.1	(7)	2.9
8	Wisconsin Energy	33.0	254.8	(15)	593.7	(17)	5.7
9	Minnesota Pwr & Lt	32.5	208.0	(18)	705.3	(14)	2.3
10	Centerior Energy	30.1	269.4	(11)	1,353.2	(1)	8.8
11	Nipsco Industries	29.4	324.6	(3)	773.6	(12)	4.7
12	PSI Resources	28.8	240.5	(16)	492.0	(18)	4.1
13	DQE	28.0	260.8	(13)	901.2	(8)	4.3
14	No States Power	26.0	274.3	(9)	632.8	(15)	7.5
15	American Electric	21.8	227.2	(17)	614.9	(16)	22.7
16	Commonwealth Ed	7.0	286.3	(8)	1,115.3	(4)	18.4
17	Illinois Power	–18.2	322.9	(5)	1,236.8	(2)	4.3
18	CMS Energy	–51.2	309.0	(6)	822.1	(9)	9.6
	Industry medians	**31.3**	**272.7**		**815.3**		
Electric utilities–Northeast							
1	Long Island Lighting	49.7	380.2	(2)	1,374.2	(1)	6.4
2	New England Electric	46.6	330.0	(6)	783.8	(9)	5.6
3	Pennsylvania P&L	42.3	293.9	(9)	951.6	(7)	8.1
4	Pub Svc Enterprise	41.1	364.0	(3)	1,063.4	(3)	13.2
5	NY State E&G	34.5	326.9	(7)	1,034.3	(4)	4.6
6	Atlantic Energy	33.8	351.7	(4)	984.3	(6)	2.0
7	Potomac Electric	32.7	271.5	(11)	1,007.6	(5)	5.2
8	Allegheny Power	32.3	388.1	(1)	770.4	(10)	5.9
9	Consolidated Edison	29.1	292.2	(10)	544.0	(14)	19.6
10	Northeast Utilities	25.5	316.6	(8)	798.9	(8)	8.3
11	General Public Utils	21.8	234.7	(14)	541.8	(15)	12.8
12	Baltimore G&E	19.1	234.7	(14)	729.5	(11)	9.2
13	Boston Edison	16.9	266.9	(13)	638.8	(13)	4.7
14	Philadelphia Elec	9.5	333.3	(5)	1,130.4	(2)	11.1
15	Niagara Mohawk Pwr	7.1	270.5	(12)	666.2	(12)	11.7
	Industry medians	**32.3**	**316.6**		**798.9**		
Electric utilities–South central							
1	Texas Utilities	55.9	298.2	(7)	1,224.5	(2)	15.2
2	So'western Pub Svc	50.8	342.5	(2)	755.7	(6)	2.2
3	Central & So West	42.4	326.7	(3)	1,080.2	(4)	8.4
4	Oklahoma G&E	36.9	326.3	(4)	668.9	(7)	3.8
5	Entergy	36.0	299.8	(6)	1,116.7	(3)	13.3
6	Houston Industries	25.4	313.2	(5)	890.2	(5)	13.3
7	Gulf States Utils	–9.2	352.2	(1)	1,429.5	(1)	4.8
	Industry medians	**36.9**	**326.3**		**1,080.2**		
Electric utilities–Southeast							
1	Scana	41.1	256.3	(7)	711.2	(4)	4.4
2	Kentucky Utilities	38.3	265.0	(4)	682.4	(5)	2.1
3	Carolina Power & Lt	34.4	321.5	(2)	923.6	(1)	8.1
4	Dominion Resources	34.0	269.5	(3)	838.6	(2)	13.1
5	TECO Energy	31.3	246.5	(8)	564.7	(9)	4.5
6	Duke Power	27.3	186.8	(10)	511.5	(10)	19.7
7	Florida Progress	21.4	261.7	(6)	656.6	(7)	7.7
8	LG&E Energy	21.0	200.9	(9)	575.1	(8)	3.5
9	Southern Co	19.9	262.4	(5)	752.2	(3)	30.4
10	FPL Group	–20.6	330.7	(1)	680.8	(6)	19.0
	Industry medians	**29.3**	**262.1**		**681.6**		
Electric utilities–West							
1	Puget Sound P&L	52.8	373.1	(3)	1,032.4	(3)	2.5
2	San Diego G&E	49.6	422.7	(2)	872.3	(5)	4.2
3	SCEcorp	46.3	424.2	(1)	1,030.0	(4)	17.0
4	Idaho Power	44.6	299.8	(6)	1,083.2	(2)	1.6
5	Washington Water	39.6	250.7	(8)	635.6	(10)	2.2
6	Pacific G&E	37.7	361.5	(4)	838.1	(6)	26.2
7	PacifiCorp	29.7	237.1	(10)	775.2	(8)	16.0
8	Portland General	28.7	244.8	(9)	755.8	(9)	3.5
9	Montana Power	25.9	229.5	(11)	541.1	(11)	3.7
10	Public Service Colo	22.1	261.8	(7)	487.7	(12)	6.6
11	Hawaiian Electric	13.5	312.5	(5)	1,136.0	(1)	3.2
12	Pinnacle West	11.6	190.1	(12)	834.6	(7)	8.4
	Industry medians	**33.7**	**280.8**		**836.4**		
Energy–gas distributors							
1	Nicor	31.1	420.8	(1)	597.2	(2)	3.7
2	Kansas Pwr & Light	17.2	248.7	(3)	436.1	(3)	4.6
3	Southwest Gas	16.6	386.4	(2)	1,685.0	(1)	2.2
	Industry medians	**17.2**	**386.4**		**597.2**		
Energy–gas producers & pipelines							
1	Burlington Resources	45.0	367.4	(6)	1,248.9	(2)	5.1
2	Enron	30.5	1,986.0	(1)	1,485.8	(1)	6.6
3	Sonat	21.1	287.9	(7)	609.7	(7)	5.2
4	Williams Cos	17.8	422.2	(5)	934.8	(4)	4.3
5	Coastal Corp	16.7	694.9	(2)	683.7	(6)	13.5
6	Transco Energy	7.4	555.6	(3)	820.4	(5)	5.5
7	Panhandle Eastern	–36.3	496.9	(4)	1,009.2	(3)	6.0
	Industry medians	**17.8**	**496.9**		**934.8**		
Energy–integrated gas							
1	Consol Natural Gas	21.7	359.8	(1)	663.4	(1)	7.5
2	Arkla	15.5	357.0	(2)	544.3	(3)	6.8
3	Columbia Gas Sys	9.7	217.8	(4)	572.3	(2)	10.8
4	Enserch	9.5	261.0	(3)	302.7	(4)	10.8
5	Pacific Enterprises	–1.0	160.5	(5)	169.0	(5)	43.1
	Industry medians	**9.7**	**261.0**		**544.3**		
Energy–major oils							
1	Exxon	48.2	1,014.6	(2)	843.3	(1)	104.0
2	Chevron	39.6	708.2	(4)	643.6	(3)	54.5
3	Texaco	38.0	1,072.5	(1)	681.2	(2)	38.1
4	Amoco	35.4	517.9	(5)	595.5	(5)	54.1
5	Mobil	28.5	855.3	(3)	616.3	(4)	67.6
	Industry medians	**38.0**	**855.3**		**643.6**		
Energy–oilfield services							
1	Baker Hughes	7.1	126.5	(2)	135.2	(1)	21.5
2	Dresser Industries	5.2	145.9	(1)	96.7	(2)	32.3
3	Halliburton	2.8	97.2	(3)	63.8	(3)	71.2
	Industry medians	**5.2**	**126.5**		**96.7**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Energy–other oil & gas							
1	Oryx Energy	80.4	692.9	(6)	1,875.7	(2)	2.8
2	Louisiana Land	75.8	1,184.4	(2)	1,693.4	(3)	0.7
3	Tosco	74.2	1,300.0	(1)	571.4	(9)	1.7
4	Anadarko Petroleum	66.3	466.3	(15)	1,976.9	(1)	0.8
5	Union Texas Petrol	62.7	693.7	(5)	1,136.1	(4)	1.9
6	Atlantic Richfield	62.6	668.2	(7)	885.5	(6)	27.0
7	Valero Energy	52.1	642.9	(8)	689.8	(8)	1.8
8	Amerada Hess	50.0	720.3	(4)	939.0	(5)	9.6
9	American Petrofina	32.6	1,034.4	(3)	740.0	(7)	3.8
10	Phillips Petroleum	24.5	615.5	(10)	548.9	(11)	22.1
11	Murphy Oil	23.8	469.8	(14)	498.8	(12)	4.3
12	Unocal	23.0	629.0	(9)	561.7	(10)	17.4
13	Mapco	21.0	436.5	(16)	274.0	(18)	6.2
14	Kerr-McGee	20.4	501.1	(13)	472.6	(13)	7.3
15	USX	15.9	375.1	(19)	335.2	(17)	51.5
16	Diamond Shamrock	15.2	531.0	(12)	222.3	(19)	5.1
17	Sun Co	9.4	555.8	(11)	423.4	(15)	21.3
18	Pennzoil	8.4	195.0	(21)	470.6	(14)	11.2
19	Crown Central Pet	5.0	393.8	(18)	131.5	(21)	5.2
20	Ashland Oil	4.2	245.2	(20)	140.6	(20)	35.6
21	Occidental Petroleum	–31.0	398.4	(17)	362.6	(16)	54.5
	Industry medians	**23.8**	**555.8**		**548.9**		
Entertainment & information–broadcasting							
1	BHC Commun	562.8	325.2	(3)	2,190.6	(1)	0.9
2	Capital Cities/ABC	23.9	269.5	(5)	335.1	(7)	20.0
3	CBS	16.6	486.7	(1)	700.3	(4)	6.7
4	Turner Broadcasting	–4.3	382.7	(2)	592.4	(5)	3.6
5	Tele-Communication	–6.4	104.8	(7)	366.5	(6)	33.5
6	Viacom	–18.1	323.2	(4)	813.7	(2)	5.0
7	Comcast	–56.7	208.8	(6)	780.9	(3)	3.1
	Industry medians	**–4.3**	**323.2**		**700.3**		
Entertainment & information–movies							
1	King World Prods	226.0	1,199.0	(1)	1,261.3	(1)	0.4
2	Paramount Commun	19.1	324.1	(2)	529.2	(3)	12.1
3	Walt Disney	16.6	122.2	(4)	173.1	(5)	49.5
4	General Cinema	4.8	88.5	(5)	127.0	(6)	24.9
5	UA Entertainment	–4.6	69.8	(6)	197.5	(4)	20.5
6	Time Warner	–6.0	302.3	(3)	665.0	(2)	38.1
	Industry medians	**10.7**	**212.3**		**363.4**		
Entertainment & information–publishing							
1	Washington Post	28.2	232.0	(2)	241.4	(3)	6.2
2	Reader's Digest Assn	25.6	297.7	(1)	230.6	(4)	7.4
3	McGraw-Hill	12.5	140.4	(7)	183.5	(6)	13.8
4	Dow Jones	11.0	176.4	(4)	265.8	(2)	9.7
5	Gannett	10.3	93.9	(12)	104.4	(13)	36.7
6	RR Donnelley & Sons	8.4	130.5	(8)	124.7	(11)	26.8
7	Dun & Bradstreet	7.4	70.5	(14)	69.6	(14)	68.3
8	Knight-Ridder	7.1	109.0	(11)	107.4	(12)	21.1
9	New York Times	6.2	169.2	(5)	204.7	(5)	10.5
9	Times Mirror	6.2	124.4	(10)	144.1	(10)	29.1
11	Interpublic Group	5.1	84.4	(13)	164.1	(8)	15.8
12	EW Scripps	4.8	130.3	(9)	152.9	(9)	10.0
13	American Greetings	3.8	66.7	(15)	63.2	(15)	20.6
14	Tribune	–3.8	141.7	(6)	180.8	(7)	16.6
15	Harcourt Brace	–12.7	222.5	(3)	501.1	(1)	6.4
	Industry medians	**7.1**	**130.5**		**164.1**		
Financial services–brokerage & commodity							
1	Morgan Stanley	39.3	853.0	(2)	7,778.9	(2)	6.9
2	Salomon	34.0	1,005.2	(1)	12,345.7	(1)	8.9
3	Bear Stearns Cos	17.8	411.3	(3)	6,050.1	(3)	5.8
4	Charles Schwab	5.8	218.2	(6)	1,459.7	(5)	2.9
5	Merrill Lynch	4.8	280.3	(4)	1,703.2	(4)	40.0
6	PaineWebber Group	–4.5	231.9	(5)	1,413.0	(6)	12.8
	Industry medians	**11.8**	**345.8**		**3,876.7**		
Financial services–lease & finance							
1	MBIA	514.6	908.9	(4)	8,229.6	(5)	0.2
2	Fed Natl Mortgage	469.4	5,087.8	(1)	53,245.2	(1)	2.5
3	Federal Home Loan	204.5	1,975.8	(2)	20,048.9	(2)	2.0
4	Student Loan	132.3	1,591.4	(3)	18,084.3	(3)	2.3
5	Franklin Resources	46.9	151.5	(13)	261.5	(12)	1.9
6	Dreyfus	42.4	178.4	(12)	541.3	(11)	1.5
7	H&R Block	33.6	314.7	(6)	193.0	(13)	3.5
8	GATX	21.5	226.1	(11)	859.7	(9)	3.9
9	Beneficial Corp	19.2	234.1	(9)	1,234.7	(8)	7.5
10	Household Intl	16.2	296.7	(7)	2,023.0	(6)	14.6
11	Primerica	15.9	263.6	(8)	837.8	(10)	23.5
12	Discount Corp of NY	8.8	825.0	(5)	14,618.2	(4)	0.4
13	Equifax	4.6	76.8	(15)	53.7	(15)	14.1
14	American Express	3.2	227.0	(10)	1,284.5	(7)	107.2
15	Ryder System	1.0	125.0	(14)	133.3	(14)	41.3
	Industry medians	**21.5**	**263.6**		**1,234.7**		
Financial services–multinational banks							
1	JP Morgan & Co	57.0	770.2	(1)	6,851.9	(1)	13.6
2	Bankers Trust NY	49.0	583.1	(2)	4,683.1	(2)	13.6
3	BankAmerica	15.8	221.8	(10)	1,992.8	(9)	55.6
4	First Chicago	13.4	305.9	(8)	2,728.1	(5)	18.6
5	Continental Bank	12.0	492.4	(3)	4,354.0	(3)	6.2
6	Chemical Banking	10.4	286.1	(9)	2,615.9	(6)	27.9
7	Mfrs Hanover	7.1	392.5	(5)	3,138.3	(4)	19.6
8	Citicorp	3.4	410.5	(4)	2,320.7	(8)	93.5
9	Chase Manhattan	–8.2	337.2	(6)	2,418.6	(7)	40.5
10	Bank of Boston	–24.2	309.3	(7)	1,797.2	(10)	18.1
	Industry medians	**11.2**	**364.9**		**2,672.0**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Financial services–regional banks							
1	Republic New York	48.6	669.8	(1)	7,150.8	(1)	4.1
2	Wilmington Trust	35.1	224.1	(21)	2,008.5	(33)	1.9
3	Wells Fargo	34.5	283.0	(6)	2,721.5	(9)	20.7
4	First Hawaiian	31.7	240.2	(16)	2,445.9	(11)	2.3
5	Fifth Third Bancorp	30.4	210.6	(30)	2,007.5	(34)	4.0
6	Sumitomo Bank Calif	27.2	302.9	(4)	2,904.1	(5)	1.7
7	Dauphin Deposit	26.9	199.2	(43)	2,072.1	(25)	1.7
8	Mercantile Bkshs	25.9	186.1	(65)	1,836.7	(54)	2.7
9	Bancorp Hawaii	24.4	243.6	(13)	2,730.6	(8)	3.9
10	Banc One	22.8	183.6	(70)	1,635.4	(84)	18.6
11	NBD Bancorp	21.9	214.7	(26)	2,135.8	(18)	12.5
12	First Wachovia	21.8	184.5	(69)	1,924.5	(45)	13.7
13	Bank of New York	21.5	371.3	(2)	3,159.8	(3)	14.4
14	Northern Trust	20.1	230.1	(17)	2,050.3	(30)	5.8
15	Union Bank	19.9	229.6	(18)	2,221.0	(14)	7.3
16	First Empire State	19.7	260.7	(9)	2,821.0	(6)	2.7
17	Central Bancshares	19.5	205.1	(37)	1,965.9	(41)	2.5
18	City National	19.3	219.6	(25)	2,171.0	(16)	2.3
19	Comerica	19.2	198.0	(44)	1,988.1	(37)	6.7
20	Old Kent Financial	19.1	189.8	(59)	1,789.1	(62)	4.6
21	US Bancorp	18.7	195.9	(49)	1,797.8	(58)	9.8
22	Star Banc	18.2	186.1	(65)	1,766.9	(64)	3.6
23	Manufacturers Natl	18.1	194.7	(51)	2,024.2	(31)	6.0
24	SunTrust Banks	17.6	171.4	(84)	1,680.6	(80)	19.9
25	BB&T Financial	17.4	182.0	(72)	1,672.2	(82)	3.1
25	Central Fidelity Bks	17.4	189.1	(61)	1,929.0	(44)	3.2
25	Puget Sound Bancp	17.4	183.4	(71)	1,730.2	(73)	2.7
28	Society	17.2	190.7	(57)	1,676.3	(81)	9.0
29	First Alabama Bcshs	16.6	147.7	(97)	1,529.5	(89)	4.1
29	Liberty National	16.6	189.3	(60)	1,875.5	(50)	2.0
31	Boatmen's Bancshs	16.1	180.4	(74)	2,080.1	(24)	8.4
32	First Union	15.9	212.7	(27)	2,132.1	(19)	19.1
33	Commerce Bcshs	15.6	161.9	(91)	1,814.8	(55)	3.7
34	Norwest	15.5	191.8	(54)	1,686.7	(79)	18.2
35	First Bancp Ohio	15.2	158.9	(92)	1,621.8	(86)	2.3
36	AmSouth Bancorp	15.0	175.0	(79)	1,701.1	(78)	5.1
36	National City	15.0	172.8	(82)	1,529.8	(88)	15.5
36	SouthTrust	15.0	187.1	(64)	1,942.2	(43)	4.6
39	State Street Boston	14.9	167.6	(87)	1,479.1	(93)	7.9
39	Trustmark	14.9	174.8	(80)	1,895.5	(49)	2.0
41	First Virginia Banks	14.5	126.7	(108)	1,197.5	(109)	4.5
42	Firstar	14.2	142.4	(101)	1,370.0	(102)	6.8
42	Huntington Bcshs	14.2	209.5	(33)	1,970.1	(40)	6.0
44	First Bank System	13.8	225.7	(20)	2,005.4	(35)	9.5
44	KeyCorp	13.8	167.8	(86)	1,796.0	(60)	10.7
46	West One Bancorp	13.6	148.4	(96)	1,462.7	(94)	3.1
47	Security Bancorp	13.5	142.3	(102)	1,226.1	(108)	2.3
48	United Missouri Bcsh	13.3	145.3	(98)	1,523.9	(90)	2.8
49	NCNB	13.2	241.3	(14)	2,357.0	(13)	27.7
50	First of America Bk	13.1	137.7	(106)	1,392.4	(101)	10.1
51	Mercantile Bancorp	13.0	174.1	(81)	1,751.1	(67)	4.4
52	South Carolina Natl	12.8	178.9	(75)	1,810.8	(56)	3.9
52	Zions Bancorporation	12.8	165.5	(89)	1,710.3	(75)	2.1
54	INB Financial	12.7	204.3	(38)	1,953.7	(42)	3.2
55	First Interstate Bncp	12.4	167.3	(88)	1,447.8	(95)	35.5
56	First Tennessee Natl	12.2	188.3	(63)	1,707.2	(76)	3.9
57	Marshall & Ilsley	11.9	139.4	(104)	1,248.1	(107)	6.0
58	Valley Bancorp	11.7	139.3	(105)	1,426.0	(98)	2.5
59	Mellon Bank	10.5	206.2	(36)	1,743.2	(69)	16.5
60	Southern Natl	10.4	162.6	(90)	1,519.2	(91)	2.2
61	Deposit Guaranty	10.3	195.7	(50)	2,062.4	(27)	2.4
62	Crestar Financial	10.1	209.7	(32)	1,970.7	(39)	6.0
62	First Security	10.1	155.1	(93)	1,432.3	(96)	4.5
64	BanPonce	9.1	91.4	(110)	1,289.3	(106)	7.0
64	Union Planters	9.1	171.6	(83)	1,609.0	(87)	2.5
66	CoreStates Financial	8.7	197.5	(46)	1,797.9	(57)	13.1
66	Fourth Financial	8.7	192.5	(53)	2,130.8	(20)	2.0
68	First Commerce	8.6	189.0	(62)	1,750.6	(68)	2.6
69	Michigan National	8.1	208.1	(35)	1,841.3	(53)	6.0
70	First Citizens Bcshs	7.9	116.6	(109)	1,338.0	(105)	3.6
71	C&S/Sovran	7.6	176.6	(78)	1,704.4	(77)	30.1
72	Integra Financial	6.6	185.9	(67)	1,915.4	(47)	4.0
73	Signet Banking	6.4	222.4	(23)	1,772.7	(63)	6.4
74	US Trust	5.7	191.1	(56)	1,348.7	(103)	2.1
75	Barnett Banks	5.5	180.8	(73)	1,766.5	(65)	18.2
76	Affiliated Bkshs Colo	4.8	134.9	(107)	1,338.9	(104)	2.0
77	Merchants National	4.7	170.2	(85)	1,742.4	(70)	3.3
78	Meridian Bancorp	3.9	220.5	(24)	2,056.5	(29)	5.8
78	PNC Financial	3.9	269.6	(8)	2,515.7	(10)	18.1
78	Security Pacific	3.9	252.2	(12)	2,069.3	(26)	40.9
81	Baltimore Bancorp	3.5	320.2	(3)	3,217.7	(2)	1.1
82	Premier Bancorp	2.8	149.9	(95)	1,487.4	(92)	2.6
83	FirsTier Financial	1.8	201.0	(42)	2,101.3	(22)	1.5
84	Natl Community Bks	1.1	185.3	(58)	1,919.7	(46)	2.1
85	Colorado Natl Bkshs	1.0	144.3	(99)	1,099.5	(110)	2.8
85	Valley National	1.0	155.0	(94)	1,431.8	(97)	7.4
87	First Fidelity Bncp	–0.5	254.4	(11)	2,425.9	(12)	12.0
88	Bank South	–0.8	194.3	(52)	1,728.6	(74)	3.0
88	Sunwest Financial	–0.8	140.2	(103)	1,407.3	(100)	2.3
90	UJB Financial	–0.9	204.9	(38)	2,012.2	(32)	6.4
91	Fleet/Norstar Finl	–2.6	210.1	(31)	1,736.6	(71)	18.7
92	First Florida Banks	–2.8	142.7	(100)	1,410.8	(99)	4.1
93	Hibernia	–3.2	240.7	(15)	2,137.0	(17)	3.4
94	Cullen/Frost Bankers	–4.5	178.5	(77)	1,796.2	(59)	1.8
95	Dominion Bankshs	–6.8	202.3	(40)	1,895.7	(48)	5.5

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
96	Summit Bancorp	–7.1	212.5	(28)	2,059.7	(28)	1.8
97	Shawmut National	–11.1	228.9	(19)	1,979.6	(38)	12.0
98	BayBanks	–12.2	191.2	(55)	1,756.1	(66)	5.7
99	Multibank Financial	–13.1	197.6	(45)	1,844.1	(52)	1.6
100	Whitney Holding	–13.2	178.8	(76)	2,172.7	(15)	1.3
101	Ameritrust	–15.7	208.7	(34)	1,793.3	(61)	6.1
102	First American Corp	–16.7	196.2	(48)	1,734.1	(72)	3.7
103	Midlantic	–17.5	223.6	(22)	2,113.5	(21)	11.2
104	First City Bncp Texas	–23.7	202.3	(40)	1,996.6	(36)	6.7
105	Southeast Banking	–24.2	196.7	(47)	1,628.8	(85)	8.2
106	Riggs National	–25.3	300.5	(5)	2,908.7	(4)	2.4
107	Northeast Bancorp	–32.7	190.7	(57)	1,848.5	(51)	1.8
108	MNC Financial	–34.8	254.6	(10)	2,087.7	(23)	12.6
109	Equimark	–68.7	211.1	(29)	1,671.8	(83)	2.0
110	Citizens First Bncp	–80.3	272.8	(7)	2,735.7	(7)	1.0
	Industry medians	12.3	191.2		1,812.8		
Financial services–thrift institutions							
1	Golden West Finl	68.0	797.3	(1)	8,456.6	(1)	2.7
2	Downey S&L Assn	43.3	412.6	(17)	4,296.5	(15)	1.0
3	Citadel Holding	28.6	651.3	(4)	6,982.4	(3)	0.8
4	Bay View Capital	17.9	743.3	(2)	7,143.6	(2)	0.4
5	Standard Fedl Bank	17.8	405.0	(19)	4,132.1	(19)	2.3
6	HF Ahmanson	17.6	440.4	(14)	4,719.4	(10)	10.8
7	Gt Western Financial	14.4	313.8	(32)	2,935.5	(33)	13.4
8	Talman Home Fed	7.3	295.5	(34)	3,254.6	(30)	1.8
9	Farm & Home Finl	7.0	483.8	(9)	5,540.2	(6)	0.6
10	FirstFed Michigan	6.9	663.6	(3)	6,769.7	(4)	1.6
11	Rochester Community	4.8	272.6	(36)	2,617.4	(36)	1.6
12	Citizens Savings	4.2	423.6	(16)	4,531.6	(12)	0.9
13	SFFed Corp	2.5	459.0	(10)	4,207.4	(17)	0.8
14	Goldome	1.7	367.6	(23)	3,322.8	(28)	3.4
15	Old Stone	1.4	193.0	(40)	1,750.5	(39)	2.1
16	Commercial Federal	1.3	536.9	(8)	5,503.1	(7)	1.0
17	Washington Mutual	0.5	356.7	(24)	3,394.7	(27)	2.0
18	Fortune Financial	–4.1	375.3	(22)	3,849.4	(22)	0.8
19	St Paul Bancorp	–5.7	352.8	(26)	3,559.2	(25)	1.0
20	TCF Financial	–8.6	196.1	(39)	1,744.2	(40)	2.4
21	GlenFed	–11.4	377.1	(21)	3,936.1	(21)	6.2
22	Greater NY Savings	–21.0	351.3	(28)	3,810.9	(23)	0.8
23	American Capital	–23.6	309.7	(33)	2,953.0	(32)	1.7
24	Great Lakes Bancorp	–25.8	354.5	(25)	3,258.0	(29)	1.0
25	Coast Savings Finl	–31.7	541.6	(7)	5,144.5	(8)	2.0
26	People's Bank	–33.4	274.4	(35)	2,727.8	(35)	2.5
27	CalFed	–48.8	411.1	(18)	4,656.9	(11)	5.3
28	Dime Savings Bank	–54.5	441.7	(13)	4,355.9	(13)	2.5
29	HomeFed	–57.1	439.5	(15)	4,211.1	(16)	4.3
30	Western Capital Inv	–61.8	231.5	(37)	2,210.2	(37)	1.2
31	Valley Federal S&L	–63.9	457.4	(11)	4,024.7	(20)	0.7
32	Anchor Bancorp	–66.4	455.4	(12)	4,327.2	(14)	2.0
33	Society for Savings	–67.4	612.0	(5)	4,921.2	(9)	0.8
34	American Savings	–70.0	329.5	(30)	3,562.7	(24)	1.1
35	Howard Savings Bank	–72.4	197.2	(38)	1,962.9	(38)	2.2
36	Northeast Federal	–85.4	403.7	(20)	4,161.7	(18)	1.2
37	Meritor Savings Bank	–92.4	350.9	(29)	2,887.4	(34)	2.3
38	Perpetual Financial	–94.7	329.5	(30)	3,004.2	(31)	1.6
39	CrossLand Savings	–132.7	352.6	(27)	3,522.8	(26)	3.2
40	Great American Bank	–137.1	561.3	(6)	6,027.4	(5)	2.5
	Industry medians	–10.0	390.4		3,980.4		
Food, drink & tobacco–beverages							
1	Coca-Cola	61.5	455.4	(1)	412.7	(1)	22.5
2	Brown-Forman	26.2	197.1	(4)	189.0	(4)	5.5
3	Anheuser-Busch Cos	18.3	233.5	(2)	209.4	(3)	46.0
4	Coca-Cola Enterprise	4.7	201.7	(3)	251.0	(2)	20.0
5	PepsiCo	3.8	62.0	(6)	59.7	(6)	287.0
6	Adolph Coors	3.6	174.8	(5)	163.8	(5)	10.7
	Industry medians	11.5	199.4		199.2		
Food, drink & tobacco–food distributors							
1	Super Food Services	7.7	814.6	(1)	148.1	(1)	2.2
2	Sysco	7.6	410.6	(3)	112.1	(3)	19.2
3	Fleming Cos	4.3	522.2	(2)	121.1	(2)	22.9
4	Super Valu Stores	3.7	284.8	(5)	71.1	(5)	40.4
5	Wetterau	3.4	381.2	(4)	81.8	(4)	14.7
6	Nash Finch	1.6	212.8	(6)	37.4	(6)	11.1
7	Marriott	0.2	34.8	(7)	31.6	(8)	219.5
8	TW Holdings	–0.6	33.8	(8)	32.1	(7)	109.0
	Industry medians	3.6	333.0		76.5		
Food, drink & tobacco–food processors							
1	Archer Daniels	41.6	759.9	(1)	550.2	(2)	11.0
2	Kellogg	29.1	300.3	(3)	217.3	(4)	17.3
3	Wm Wrigley Jr	20.2	191.5	(10)	97.2	(15)	5.8
4	Hershey Foods	17.6	221.7	(9)	169.7	(5)	12.3
5	Pioneer Hi-Bred Intl	15.5	224.4	(8)	287.1	(3)	4.3
6	HJ Heinz	14.9	177.0	(11)	140.7	(7)	36.8
7	CPC International	10.9	168.9	(14)	131.2	(8)	34.2
8	Geo A Hormel	10.2	338.9	(2)	100.5	(14)	8.2
9	McCormick & Co	9.2	176.4	(13)	126.3	(10)	7.5
10	Gerber Products	9.1	94.8	(21)	64.1	(20)	12.4
11	Dean Foods	8.2	261.7	(4)	106.2	(12)	8.2
12	Borden	7.9	164.9	(15)	114.1	(11)	46.3
13	Quaker Oats	7.6	176.8	(12)	103.1	(13)	30.0
14	Ralston Purina	7.1	127.8	(17)	80.4	(18)	56.2
15	General Mills	5.0	77.7	(23)	41.2	(24)	90.5

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
16	Sara Lee	4.8	116.3	(19)	74.2	(19)	104.8
17	ConAgra	3.8	249.3	(6)	127.5	(9)	75.0
18	Intl Multifoods	3.4	239.5	(7)	92.9	(16)	9.1
19	Tyson Foods	2.9	89.0	(22)	59.3	(21)	43.0
20	Castle & Cooke	2.5	62.6	(24)	49.4	(22)	48.0
21	Chiquita Brands Intl	2.1	94.9	(20)	48.3	(23)	45.0
22	Campbell Soup	1.1	120.1	(18)	81.3	(17)	52.7
23	Whitman	-2.1	152.2	(16)	145.0	(6)	15.1
24	RJR Nabisco	-8.4	252.3	(5)	598.5	(1)	55.0
	Industry medians	7.8	176.6		104.7		
Food, drink & tobacco-tobacco							
1	UST Inc	62.9	211.4	(2)	175.3	(3)	3.6
2	Philip Morris Cos	21.9	274.3	(1)	288.2	(1)	161.6
3	American Brands	12.4	171.8	(3)	287.3	(2)	48.2
4	Universal	1.7	150.2	(4)	81.3	(4)	20.0
	Industry medians	17.2	191.6		231.3		
Forest products-packaging							
1	Temple-Inland	18.1	186.9	(2)	609.7	(1)	12.9
2	Crown Cork & Seal	6.7	192.3	(1)	162.5	(3)	16.0
3	Sonoco Products	3.4	112.8	(4)	75.2	(4)	14.8
4	Stone Container	3.0	178.2	(3)	207.1	(2)	32.3
	Industry medians	5.1	182.6		184.8		
Forest products-paper & lumber							
1	Consolidated Papers	30.2	201.3	(6)	252.9	(5)	4.7
2	PH Glatfelter	25.4	179.6	(10)	172.0	(14)	3.5
3	Bowater	17.1	270.7	(1)	450.6	(1)	5.1
4	Federal Paper Board	16.4	189.7	(9)	340.0	(3)	7.2
5	Willamette Inds	13.2	193.9	(8)	200.1	(12)	9.8
6	Potlatch	13.1	165.9	(12)	226.2	(7)	7.6
7	Union Camp	11.5	142.4	(14)	220.7	(8)	19.9
8	Westvaco	10.6	159.9	(13)	220.6	(9)	15.0
9	Weyerhaeuser	9.2	210.3	(5)	381.1	(2)	42.9
10	International Paper	8.6	195.6	(7)	206.3	(10)	66.3
11	Champion Intl	7.7	175.2	(11)	287.5	(4)	29.1
12	Louisiana-Pacific	7.0	137.9	(15)	161.9	(15)	13.0
13	Georgia-Pacific	6.1	211.8	(4)	201.7	(11)	59.8
14	Boise Cascade	3.8	212.8	(3)	243.2	(6)	19.7
15	Mead	1.5	219.9	(2)	179.2	(13)	21.7
	Industry medians	10.6	193.9		220.7		
Health-biotech							
1	Chiron	7.3	142.5	(3)	481.6	(3)	0.6
2	Amgen	6.1	474.8	(1)	705.7	(1)	0.6
3	Genentech	-53.6	244.1	(2)	632.6	(2)	1.8
	Industry medians	6.1	244.1		632.6		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Health-drugs							
1	Marion Merrell Dow	51.4	259.7	(5)	227.8	(8)	9.5
2	Merck	50.0	215.2	(6)	225.2	(9)	35.7
3	Eli Lilly	38.8	178.7	(9)	245.9	(7)	29.1
4	ALZA Corp	36.5	147.0	(15)	786.5	(1)	0.7
5	Forest Labs	35.9	163.0	(11)	321.4	(4)	1.0
6	Bristol-Myers Squibb	32.7	192.5	(7)	172.2	(14)	53.5
7	Schering-Plough	27.6	162.1	(12)	200.2	(12)	20.5
8	Amer Home Prods	24.4	134.3	(18)	111.7	(17)	50.5
9	Upjohn	24.0	159.6	(13)	193.0	(13)	19.0
10	Abbott Laboratories	22.8	145.4	(16)	131.4	(16)	42.4
11	Pfizer	18.9	151.4	(14)	214.0	(10)	42.3
12	Bergen Brunswig	17.7	1,228.1	(2)	371.3	(3)	3.8
13	Bindley Western Inds	15.9	4,873.9	(1)	785.7	(2)	0.4
14	Warner-Lambert	14.1	136.2	(17)	94.8	(18)	34.4
15	Imcera Group	8.6	172.8	(10)	248.8	(6)	9.0
16	McKesson	6.7	583.0	(3)	169.3	(15)	14.3
17	Rhone-Poulenc Rorer	0.1	182.3	(8)	255.3	(5)	16.0
18	National Intergroup	-53.4	512.6	(4)	205.8	(11)	5.3
	Industry medians	23.4	175.8		219.6		
Health-health care services							
1	US Healthcare	40.2	672.3	(1)	318.0	(1)	1.9
2	National Health Labs	17.0	103.5	(2)	7.7	(7)	4.9
3	Community Psych	14.2	63.4	(6)	94.3	(3)	5.9
4	Humana	5.7	89.9	(3)	71.0	(5)	58.6
4	National Medical	5.7	82.6	(4)	86.5	(4)	45.3
6	Beverly Enterprises	0.1	22.5	(7)	17.3	(6)	94.0
7	American Medical	-1.0	70.0	(5)	97.8	(2)	35.8
	Industry medians	5.7	82.6		86.5		
Health-medical supplies							
1	St Jude Medical	130.7	353.9	(1)	561.9	(1)	0.5
2	Acuson	42.2	249.6	(2)	219.8	(3)	1.1
3	Biomet	34.5	181.0	(3)	180.4	(4)	1.1
4	Medtronic	19.0	47.5	(13)	148.8	(5)	6.5
5	Allergan	12.4	134.4	(5)	144.0	(6)	6.6
6	US Surgical	11.7	130.3	(6)	116.8	(12)	3.9
7	Bausch & Lomb	10.3	107.3	(10)	131.6	(9)	12.8
7	Corning	10.3	104.8	(11)	125.2	(11)	28.1
9	Becton Dickinson	9.9	110.8	(9)	140.2	(7)	18.7
10	Hillenbrand Inds	8.2	119.6	(8)	137.1	(8)	9.3
11	CR Bard	4.7	92.1	(12)	71.9	(13)	8.5
12	Baxter International	0.6	125.2	(7)	131.6	(9)	64.7
13	Henley Group	-9.2	170.9	(4)	289.5	(2)	11.0
	Industry medians	10.3	125.2		140.2		
Insurance-diversified							
1	General Re	251.7	1,227.7	(1)	4,525.4	(1)	2.4
2	Cincinnati Financial	74.0	601.8	(2)	1,485.7	(8)	1.7
3	American General	45.4	362.1	(9)	2,732.0	(2)	12.4
4	American Intl Group	43.3	471.5	(4)	1,746.0	(5)	33.3
5	Safeco	32.3	353.2	(11)	1,224.8	(12)	8.6

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
6	Loews	29.9	438.6	(5)	1,291.3	(10)	26.9
7	Aon	26.6	291.8	(14)	1,159.1	(14)	9.0
8	Old Republic Intl	21.4	253.6	(15)	679.3	(15)	4.9
9	Unitrin	16.2	150.3	(16)	514.3	(16)	8.2
10	Transamerica	15.8	397.8	(8)	1,886.3	(4)	16.9
11	Aetna Life & Cas	13.3	410.8	(6)	1,928.7	(3)	46.3
12	Reliance Group	13.1	407.0	(7)	1,216.7	(13)	9.1
13	Marsh & McLennan	12.7	113.7	(17)	100.7	(18)	24.0
14	Lincoln National	11.5	505.6	(3)	1,652.7	(6)	16.7
15	Cigna	6.5	358.9	(10)	1,258.5	(11)	50.6
16	Alexander & Alexander	3.4	83.7	(18)	175.5	(17)	16.0
17	Kemper	1.3	308.3	(13)	1,430.3	(9)	9.5
18	Travelers	–5.2	327.9	(12)	1,604.5	(7)	34.5
	Industry medians	**16.0**	**360.5**		**1,360.8**		
Insurance–life & health							
1	Conseco	61.6	1,110.4	(1)	12,108.1	(2)	0.7
2	Broad	41.7	909.8	(3)	10,831.1	(3)	1.0
3	First Capital Holding	40.4	966.8	(2)	9,380.5	(4)	1.0
4	Jefferson-Pilot	38.4	283.2	(13)	1,085.2	(13)	4.1
5	UNUM	38.2	448.0	(8)	1,964.0	(1[illegible]	4.8
6	American Family	38.1	871.0	(4)	2,613.0	(7)	3.1
6	Torchmark	38.1	298.6	(11)	920.3	(14)	6.0
8	USLife	33.0	594.0	(6)	2,198.7	(9)	2.1
9	Provident Life & Acc	32.1	492.5	(7)	2,420.6	(8)	5.6
10	Capital Holding	18.5	286.4	(12)	1,852.1	(11)	9.0
11	NWNL	16.5	442.0	(9)	2,812.4	(6)	3.0
12	American Natl Ins	14.6	147.6	(15)	638.0	(16)	7.5
13	Equitable of Iowa	4.9	136.2	(16)	756.5	(15)	4.8
14	ICH	–50.9	440.4	(10)	1,282.2	(12)	4.3
15	Monarch Capital	–62.0	267.7	(14)	3,748.5	(5)	1.6
16	First Executive	–694.1	822.9	(5)	15,111.5	(1)	1.1
	Industry medians	**32.6**	**445.0**		**2,309.7**		
Insurance–property & casualty							
1	Argonaut Group	109.4	745.1	(1)	2,401.5	(1)	0.8
2	20th Century Inds	55.6	450.5	(2)	696.5	(8)	1.8
3	Chubb	52.7	429.0	(3)	1,239.2	(3)	9.9
4	St Paul Cos	32.2	329.3	(6)	1,003.4	(5)	12.2
5	Geico	30.9	286.8	(9)	530.0	(12)	6.7
6	Hartford Steam Boiler	21.2	151.6	(14)	223.0	(15)	3.7
7	Berkshire Hathaway	19.7	133.0	(15)	533.5	(11)	20.0
8	Ohio Casualty	16.2	316.1	(7)	627.9	(9)	5.2
9	Progressive	15.0	221.6	(11)	433.9	(13)	6.2
10	Alleghany	12.5	250.4	(10)	768.7	(7)	5.5
11	Hanover Insurance	9.3	307.2	(8)	569.3	(10)	5.7
12	Continental Corp	9.1	368.1	(4)	898.5	(6)	15.5
13	ITT	8.2	176.9	(13)	421.0	(14)	116.5
14	USF&G	–45.4	361.4	(5)	1,108.4	(4)	12.6
15	Fund American Cos	–84.1	194.3	(12)	2,181.6	(2)	1.4
	Industry medians	**16.2**	**307.2**		**696.5**		

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
Materials–cement & gypsum							
1	CalMat	45.8	238.3	(1)	310.3	(1)	1.8
2	Lafarge	6.3	202.3	(2)	213.8	(2)	7.9
3	USG	–7.1	150.8	(3)	131.9	(3)	12.7
	Industry medians	**6.3**	**202.3**		**213.8**		
Materials–nonferrous metals							
1	Newmont Mining	122.3	244.1	(2)	339.6	(2)	2.8
2	Phelps Dodge	33.3	192.7	(8)	206.7	(9)	13.7
3	Magma Copper	18.5	176.2	(10)	230.5	(6)	4.4
4	Asarco	16.3	241.4	(3)	302.8	(3)	9.2
5	Cyprus Minerals	13.2	221.3	(5)	227.5	(7)	8.4
6	Maxxam	13.0	211.7	(6)	271.5	(4)	11.2
7	AMAX	11.2	188.4	(9)	244.8	(5)	20.1
8	Homestake Mining	9.9	230.2	(4)	516.1	(1)	2.1
9	Reynolds Metals	9.6	195.5	(7)	211.9	(8)	30.8
10	Engelhard	9.4	394.9	(1)	177.2	(11)	7.5
11	Alcoa	4.6	168.1	(11)	179.2	(10)	63.7
	Industry medians	**13.0**	**211.7**		**230.5**		
Materials–other							
1	Vulcan Materials	18.1	166.8	(3)	168.7	(2)	6.6
2	Tyco Laboratories	9.1	184.6	(1)	173.2	(1)	14.3
3	Harsco	6.7	163.7	(4)	92.2	(5)	10.8
4	Manville	6.3	128.3	(5)	159.8	(3)	17.5
5	Owens-Corning	4.1	169.1	(2)	98.2	(4)	18.4
6	Masco	3.3	76.9	(6)	90.1	(6)	41.8
	Industry medians	**6.5**	**165.3**		**129.0**		
Materials–steel							
1	Lone Star Tech	23.1	310.0	(1)	1,505.5	(1)	2.0
2	Wheeling Pittsburgh	14.7	173.2	(5)	250.6	(2)	6.3
3	Nucor	13.8	271.9	(2)	190.5	(4)	5.5
4	Allegheny Ludlum	12.3	193.7	(3)	141.6	(8)	5.6
5	LTV	1.9	167.5	(7)	177.7	(5)	36.7
6	Inland Steel Inds	–1.0	192.0	(4)	145.6	(7)	20.2
7	Armco	–8.4	171.0	(6)	226.0	(3)	10.2
8	Bethlehem Steel	–15.7	165.5	(8)	148.0	(6)	29.6
	Industry medians	**7.1**	**182.6**		**184.1**		
Retailing–apparel							
1	Limited	6.1	80.2	(3)	43.8	(2)	65.5
2	Gap	5.9	78.9	(4)	31.7	(5)	24.5
3	Nordstrom	4.0	99.8	(1)	65.6	(1)	29.0
4	Melville	3.5	78.9	(4)	33.3	(4)	110.1
5	TJX Cos	3.0	97.9	(2)	41.9	(3)	25.0
6	Brown Group	1.1	63.6	(6)	26.6	(6)	27.8
6	US Shoe	1.1	56.6	(7)	25.8	(7)	49.0
	Industry medians	**3.5**	**78.9**		**33.3**		
Retailing–department stores							
1	Dillard Dept Stores	5.8	113.4	(2)	94.6	(2)	31.8
2	Mercantile Stores	5.3	100.7	(3)	68.1	(4)	23.5

JOBS AND PRODUCTIVITY

THE FORBES 500s

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
3	May Dept Stores	4.3	87.2	(4)	71.8	(3)	115.5
4	JC Penney	2.9	83.1	(5)	62.6	(5)	197.0
5	Sears, Roebuck	1.9	116.6	(1)	200.5	(1)	480.0
6	Carter Hawley Hale	-0.4	75.8	(6)	56.4	(6)	36.5
	Industry medians	**3.6**	**94.0**		**70.0**		
Retailing–drug & discount							
1	Medco Containment	13.0	368.9	(2)	192.0	(2)	3.2
2	Wal-Mart Stores	4.3	109.5	(7)	38.1	(9)	299.0
3	Longs Drug Stores	4.1	159.3	(3)	42.5	(6)	14.7
4	Walgreen	3.7	129.9	(4)	42.4	(7)	47.8
5	Rite Aid	3.4	112.4	(6)	55.8	(3)	30.0
6	Dayton Hudson	2.6	93.9	(8)	54.3	(4)	157.0
7	Kmart	2.0	87.6	(9)	37.7	(10)	369.0
8	Fred Meyer	1.6	115.8	(5)	42.3	(8)	21.4
9	Hills Dept Stores	-0.2	77.2	(10)	44.6	(5)	28.3
10	Rose's Stores	-1.3	70.9	(11)	21.1	(11)	21.5
11	Ames Dept Stores	-292.6	1,137.3	(1)	510.5	(1)	3.3
	Industry medians	**2.6**	**112.4**		**42.5**		
Retailing–specialty							
1	Sotheby's Holdings	79.7	288.0	(5)	404.3	(3)	1.6
2	Tandy	67.5	1,191.8	(2)	900.9	(1)	3.9
3	Intelligent Electron	45.1	2,064.4	(1)	581.0	(2)	0.7
4	Price Co	9.9	435.2	(3)	116.3	(5)	12.9
5	Toys 'R' Us	8.6	145.0	(12)	94.3	(6)	38.0
6	Home Depot	7.3	171.5	(9)	73.7	(10)	22.3
7	Jostens	6.4	84.6	(13)	52.3	(12)	9.7
8	Blockbuster	5.7	52.7	(15)	49.8	(13)	12.0
9	Spiegel	5.5	177.6	(8)	155.4	(4)	11.2
10	Costco Wholesale	5.2	411.1	(4)	93.3	(7)	10.8
11	Circuit City Stores	5.1	165.8	(10)	69.9	(11)	14.0
12	Lowe's Cos	4.6	183.8	(7)	78.0	(8)	15.4
13	Service Merchandise	2.8	160.0	(11)	77.0	(9)	21.5
14	Woolworth	2.3	69.9	(14)	30.8	(15)	140.0
15	Waban	1.4	189.0	(6)	45.5	(14)	12.8
	Industry medians	**5.7**	**177.6**		**78.0**		
Retailing–supermarkets & convenience							
1	Weis Markets	5.8	85.6	(15)	46.7	(6)	14.9
2	Giant Food	4.6	128.3	(8)	45.0	(7)	26.1
3	McDonald's	4.5	37.5	(16)	60.3	(1)	177.0
4	Albertson's	4.1	145.5	(2)	35.6	(12)	56.5
5	Food Lion	3.9	126.9	(9)	35.4	(13)	44.0
6	Bruno's	3.4	131.3	(7)	38.8	(11)	19.2
7	Hannaford Bros	2.8	112.5	(13)	41.9	(10)	15.0

Rank	Company	Per employee ($000) Profits	Sales	(rank)	Assets	(rank)	Employees (000)
8	Smith's Food & Drug	2.3	133.2	(4)	58.5	(2)	15.2
9	Great A&P Tea	1.6	119.3	(11)	35.2	(14)	95.5
9	Winn-Dixie Stores	1.6	102.2	(14)	17.5	(16)	97.5
11	Vons Cos	1.4	154.6	(1)	49.6	(4)	34.5
12	American Stores	1.1	132.6	(5)	43.3	(8)	167.1
13	Safeway	0.8	132.4	(6)	42.2	(9)	112.3
14	Kroger	0.5	119.2	(12)	24.2	(15)	170.0
15	Penn Traffic	–1.4	121.8	(10)	51.1	(3)	23.5
16	Circle K	–30.5	141.0	(3)	49.5	(5)	26.6
	Industry medians	**2.0**	**127.6**		**42.8**		
Transport–railroads							
1	Norfolk Southern	17.4	144.4	(2)	329.2	(1)	32.0
2	Union Pacific	12.8	144.1	(3)	270.6	(3)	48.3
3	Consolidated Rail	8.9	121.4	(6)	260.7	(4)	27.8
4	CSX	8.1	159.5	(1)	248.9	(5)	51.4
5	Burlington Northern	6.7	142.1	(4)	184.7	(6)	32.9
6	Santa Fe Pacific	–5.7	130.3	(5)	287.3	(2)	17.6
	Industry medians	**8.5**	**143.1**		**265.7**		
Transport–trucking & shipping							
1	Alexander & Baldwin	37.6	236.1	(2)	447.8	(1)	3.1
2	Roadway Services	3.4	84.3	(4)	38.0	(5)	35.3
3	Yellow Freight Sys	2.3	79.7	(5)	38.6	(4)	28.9
4	Consol Freightways	–0.7	102.5	(3)	58.8	(3)	41.1
5	American President	–12.2	463.2	(1)	320.2	(2)	4.9
	Industry medians	**2.3**	**102.5**		**58.8**		
Travel–airlines							
1	Pittston	3.1	124.1	(6)	75.1	(7)	14.9
2	UAL	1.3	149.2	(2)	108.0	(4)	74.0
3	Federal Express	0.2	95.1	(8)	76.2	(6)	80.9
4	AMR	–0.4	126.2	(5)	143.7	(1)	92.9
5	Delta Air Lines	–2.6	144.5	(3)	121.6	(3)	60.3
6	USAir Group	–8.8	126.6	(4)	126.9	(2)	51.8
7	Pan Am	–17.1	150.0	(1)	88.5	(5)	26.1
8	Continental Airlines	–36.1	95.9	(7)	73.4	(8)	65.0
	Industry medians	**–1.5**	**126.4**		**98.3**		
Travel–hotels & recreation							
1	Carnival Cruise Lines	15.2	102.2	(2)	197.2	(1)	13.6
2	Circus Circus	6.8	61.3	(4)	70.2	(4)	11.3
3	Brunswick	3.1	108.2	(1)	82.8	(3)	22.9
4	Hilton Hotels	2.9	28.2	(5)	50.0	(5)	38.5
5	Bally Manufacturing	–2.5	62.4	(3)	94.2	(2)	33.0
	Industry medians	**3.1**	**62.4**		**82.8**		

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Where does a Forbes 500 company rank in sales? Where in profits? In assets? Market value? This alphabetized table shows how each of the 776 firms fits in the four Forbes 500s rankings.

Why does FORBES expend so many resources to rank the country's biggest companies four different ways when our competitors use a single criterion, such as sales or market value? The answer, as business people will have guessed, is that businesses are too complex to be measured against a single standard.

Holding slavishly to one standard can easily distort a company's commercial potency. Banks can be gigantic in assets without having much in market value or profits; supermarket chains can have billions in sales and scant profits or market value; a gene-splicing firm may have a $5 billion market valuation, while in terms of its sales and employment it is little more than a startup.

Consider, for example, Bally Manufacturing. Bally had just over $2 billion in revenues last year, making it number 405 on the Sales 500 list. But does that alone make Bally a large or powerful corporation? No. Bally lost $83 million last year, and Wall Street values the company at just $152 million, which is not large by a long shot. Bally's assets total $3.1 billion. In our opinion, these four different perspectives together produce a much truer image of Bally than do sales taken alone. Chiron Corp.'s market value tops $1 billion, putting it 489 on our market value table. Its revenues, on the other hand, are only $79 million. This growing, dynamic medical diagnostic products company will be ignored for years by people who can see companies only in terms of their sales.

Of the 776 companies qualifying for at least one of the four 500s rankings, 273 are ranked in all four categories. All 776 can be found in the report on employment, page 212, and the report on stock performance, page 284. Rules and definitions are in a prologue, page 162.

Where they rank: 1990				Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
Sales	Net profits	Assets	Market value							
151	34	293	22	Abbott Laboratories/Abbott Park, IL	6,159	965.8	5,563	20,212	1,321.7	42.4
■	■	■	443	Acuson/Mountain View, CA	283	47.8	249	1,257	60.2	1.1
■	■	■	497	Adobe Systems/Mountain View, CA	169	40.1	146	1,079	51.2	0.4
28	60	12	133	Aetna Life & Cas/Hartford, CT	19,021	614.1	89,301	4,900	764.6	46.3
■	■	493	■	Affiliated Bkshs Colo/Denver, CO	276	9.8	2,738	146	17.3	2.0
196	226	28	313	HF Ahmanson/Irwindale, CA	4,778	191.0	51,201	1,971	295.7	10.8
297	180	379	183	Air Prods & Chems/Allentown, PA	2,967	241.1	4,030	3,447	549.0	14.1
105	184	■	109	Albertson's/Boise, ID	8,219	233.8	2,014	5,606	356.0	56.5
210	268	■	425	Alco Standard/Valley Forge, PA	4,361	154.3	1,873	1,331	210.3	18.0
■	■	486	■	Alexander & Alexander/New York, NY	1,338	54.9	2,809	1,036	130.2	16.0
■	345	■	477	Alexander & Baldwin/Honolulu, HI	723	115.2	1,371	1,167	179.2	3.1
■	494	363	■	Alleghany/New York, NY	1,377	68.6	4,228	595	93.4	5.5
■	488	■	■	Allegheny Ludlum/Pittsburgh, PA	1,085	68.9	793	871	91.7	5.6
377	225	344	306	Allegheny Power/New York, NY	2,298	191.4	4,561	2,040	372.2	5.9
■	434	■	383	Allergan/Irvine, CA	884	81.4	947	1,507	125.8	6.6
56	94	175	162	Allied-Signal/Morristown, NJ	12,343	462.0	10,456	3,839	922.0	106.5
489	222	■	204	Alltel/Little Rock, AR	1,574	192.8	2,624	3,050	384.8	10.0
76	156	150	111	Alcoa/Pittsburgh, PA	10,710	295.2	11,413	5,570	1,012.9	63.7
■	■	■	311	ALZA Corp/Palo Alto, CA	99	24.7	531	1,984	30.1	0.7
234	194	325	285	AMAX/New York, NY	3,788	225.9	4,920	2,189	463.2	20.1
396	233	■	368	Amdahl/Sunnyvale, CA	2,159	184.0	2,327	1,598	332.1	8.5
128	88	199	160	Amerada Hess/New York, NY	6,948	482.7	9,057	3,894	1,401.5	9.6
104	63	120	58	American Brands/Old Greenwich, CT	8,270	596.0	13,835	9,216	846.5	48.2
■	■	321	■	American Capital/Miami, FL	521	-39.6	4,964	4	-28.5	1.7
205	128	313	131	American Cyanamid/Wayne, NJ	4,570	352.8	5,092	5,010	618.4	33.7

■Not on 500 list.

Where they rank: 1990 Sales	Net profits	Assets	Market value	Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
187	85	116	121	American Electric/Columbus, OH	5,167	496.4	13,989	5,213	1,010.7	22.7
20	133	5	41	American Express/New York, NY	24,332	338.0	137,682	12,889	941.0	107.2
329	341	220	340	American Family/Columbus, GA	2,678	117.2	8,035	1,803	117.2	3.1
208	68	45	145	American General/Houston, TX	4,481	562.0	33,808	4,457	680.0	12.4
■	442	■	466	American Greetings/Cleveland, OH	1,374	79.3	1,302	1,199	121.5	20.6
131	25	291	28	American Home Prods/New York, NY	6,775	1,230.6	5,637	17,705	1,410.4	50.5
38	17	22	24	American Intl Group/New York, NY	15,702	1,442.3	58,143	19,227	1,645.3	33.3
349	■	422	■	American Medical/Dallas, TX	2,507	–35.7	3,500	282	120.4	35.8
■	358	335	■	American Natl Ins/Galveston, TX	1,100	108.7	4,754	880	121.0	7.5
225	322	482	411	American Petrofina/Dallas, TX	3,978	125.5	2,846	1,373	305.3	3.8
380	■	■	■	American President/Oakland, CA	2,270	–59.6	1,569	377	52.8	4.9
■	■	381	■	American Savings/White Plains, NY	371	–78.9	4,012	10	–69.4	1.1
21	236	239	212	American Stores/Salt Lake City, UT	22,156	182.4	7,245	2,932	562.7	167.1
13	5	35	9	American Tel & Tel/New York, NY	37,285	2,735.0	43,775	35,923	6,131.0	278.6
77	24	86	27	Ameritech/Chicago, IL	10,663	1,253.8	21,715	17,810	3,078.6	76.6
■	■	158	■	Ameritrust/Cleveland, OH	1,281	–96.4	11,011	463	–96.4	6.1
236	■	■	■	Ames Dept Stores/Rocky Hill, CT	3,753	–965.6	1,685	94	–877.2	3.3
■	■	■	137	Amgen/Thousand Oaks, CA	299	3.9	444	4,809	20.0	0.6
17	8	52	14	Amoco/Chicago, IL	28,010	1,913.0	32,209	27,232	4,326.0	54.1
286	161	476	113	AMP/Harrisburg, PA	3,044	287.1	2,929	5,497	504.8	24.6
63	■	125	181	AMR/DFW Airport, TX	11,720	–39.6	13,354	3,468	639.6	92.9
■	451	210	■	AmSouth Bancorp/Birmingham, AL	896	76.7	8,706	574	89.4	5.1
■	■	■	376	Anadarko Petroleum/Houston, TX	388	55.2	1,647	1,567	186.8	0.8
■	■	206	■	Anchor Bancorp/Hewlett, NY	923	–134.6	8,771	31	–115.2	2.0
75	41	186	38	Anheuser-Busch Cos/St Louis, MO	10,744	842.4	9,634	14,293	1,338.1	46.0
334	181	176	270	Aon/Chicago, IL	2,626	239.0	10,432	2,320	311.9	9.0
163	81	454	78	Apple Computer/Cupertino, CA	5,741	500.6	3,157	7,389	702.6	14.5
101	95	280	91	Archer Daniels/Decatur, IL	8,388	459.4	6,073	6,376	713.8	11.0
■	407	■	■	Argonaut Group/Los Angeles, CA	611	89.7	1,969	722	109.5	0.8
357	364	398	284	Arkla/Shreveport, LA	2,436	105.9	3,714	2,193	271.1	6.8
455	■	■	■	Armco/Parsippany, NJ	1,735	–85.2	2,294	442	–45.0	10.2
344	302	■	■	Armstrong World Inds/Lancaster, PA	2,531	133.0	2,146	1,006	263.1	25.2
468	■	■	■	Arvin Industries/Columbus, IN	1,687	34.3	1,193	433	95.0	17.8
386	277	490	472	Asarco/New York, NY	2,209	149.1	2,771	1,180	224.2	9.2
97	276	320	336	Ashland Oil/Ashland, KY	8,731	149.3	5,004	1,824	418.9	35.6
■	490	■	■	Atlantic Energy/Pleasantville, NJ	717	68.9	2,006	813	131.0	2.0
33	13	76	20	Atlantic Richfield/Los Angeles, CA	18,008	1,688.0	23,864	21,196	3,710.0	27.0
■	■	■	473	Autodesk/Sausalito, CA	238	56.8	265	1,178	70.3	1.0
454	201	■	150	Automatic Data/Roseland, NJ	1,736	219.7	1,511	4,221	335.0	20.0
340	■	■	393	Avery Dennison/Pasadena, CA	2,590	5.9	1,890	1,472	96.0	19.0
451	■	■	■	Avnet/Great Neck, NY	1,756	56.7	1,175	1,018	83.4	8.0
257	220	■	262	Avon Products/New York, NY	3,454	195.3	2,059	2,391	257.8	29.8
321	269	478	170	Baker Hughes/Houston, TX	2,719	153.1	2,906	3,696	289.3	21.5
405	■	458	■	Bally Manufacturing/Chicago, IL	2,061	–83.4	3,109	152	68.8	33.0
■	■	419	■	Baltimore Bancorp/Baltimore, MD	351	3.9	3,523	88	12.0	1.1
394	245	252	260	Baltimore G&E/Baltimore, MD	2,159	175.4	6,710	2,403	355.2	9.2
262	103	56	119	Banc One/Columbus, OH	3,406	423.4	30,336	5,302	497.9	18.6

■Not on 500 list.

Where they rank: 1990 Sales	Net profits	Assets	Market value	Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
■	391	164	■	**Bancorp Hawaii**/Honolulu, HI	954	95.7	10,699	983	111.3	3.9
■	443	■	450	**Bandag**/Muscatine, IA	586	78.8	392	1,244	100.4	2.4
169	■	49	■	**Bank of Boston**/Boston, MA	5,598	–438.2	32,529	495	–336.8	18.1
178	145	34	338	**Bank of New York**/New York, NY	5,333	308.3	45,390	1,821	456.9	14.4
■	■	310	■	**Bank South**/Atlanta, GA	583	–2.4	5,184	241	12.4	3.0
57	38	7	81	**BankAmerica**/San Francisco, CA	12,323	877.0	110,728	7,201	1,150.0	55.6
111	55	20	186	**Bankers Trust NY**/New York, NY	7,919	665.0	63,596	3,389	765.0	13.6
■	■	203	■	**BanPonce**/San Juan, PR	637	63.4	8,984	509	63.4	7.0
■	■	■	447	**CR Bard**/Murray Hill, NJ	785	40.3	613	1,253	67.8	8.5
270	374	51	419	**Barnett Banks**/Jacksonville, FL	3,296	101.2	32,214	1,361	211.1	18.2
■	308	■	266	**Bausch & Lomb**/Rochester, NY	1,369	131.4	1,677	2,353	194.5	12.8
108	■	213	60	**Baxter International**/Deerfield, IL	8,100	40.0	8,517	9,071	423.0	64.7
■	■	483	■	**Bay View Capital**/San Mateo, CA	296	7.1	2,843	127	8.7	0.4
■	■	182	■	**BayBanks**/Boston, MA	1,097	–69.8	10,082	264	–45.3	5.7
■	■	312	■	**BB&T Financial**/Wilson, NC	561	53.6	5,159	392	61.1	3.1
363	369	43	420	**Bear Stearns Cos**/New York, NY	2,376	103.0	34,951	1,360	103.0	5.8
403	232	■	221	**Becton Dickinson**/Franklin Lakes, NJ	2,066	184.0	2,615	2,830	326.1	18.7
58	21	62	23	**Bell Atlantic**/Philadelphia, PA	12,298	1,312.5	27,999	19,660	3,689.7	80.4
42	14	57	17	**BellSouth**/Atlanta, GA	14,345	1,631.5	30,207	25,545	4,532.4	101.6
452	287	194	478	**Beneficial Corp**/Wilmington, DE	1,756	143.8	9,260	1,163	178.2	7.5
203	■	■	499	**Bergen Brunswig**/Orange, CA	4,610	66.4	1,394	1,074	77.3	3.8
331	110	167	59	**Berkshire Hathaway**/Omaha, NE	2,659	394.9	10,670	9,082	429.0	20.0
191	■	356	500	**Bethlehem Steel**/Bethlehem, PA	4,899	–463.5	4,382	1,072	–157.8	29.6
■	■	■	400	**Betz Laboratories**/Trevose, PA	597	65.5	427	1,426	95.3	3.6
402	■	■	■	**Beverly Enterprises**/Fort Smith, AR	2,113	12.9	1,623	742	80.2	94.0
■	89	■	363	**BHC Commun**/New York, NY	278	481.2	1,873	1,612	620.7	0.9
407	■	■	■	**Bindley Western Inds**/Indianapolis, IN	2,042	6.7	329	96	9.9	0.4
■	■	■	375	**Biomet**/Warsaw, IN	194	36.9	193	1,567	43.0	1.1
193	■	284	■	**Black & Decker**/Towson, MD	4,832	51.1	5,890	832	261.2	41.0
■	338	■	233	**H&R Block**/Kansas City, MO	1,101	117.6	675	2,680	151.0	3.5
■	492	■	329	**Blockbuster**/Fort Lauderdale, FL	633	68.7	597	1,846	192.8	12.0
500	301	100	429	**Boatmen's Bancshares**/St Louis, MO	1,515	135.2	17,469	1,320	169.3	8.4
18	18	113	32	**Boeing**/Seattle, WA	27,595	1,385.0	14,591	16,409	2,063.0	161.7
217	457	331	■	**Boise Cascade**/Boise, ID	4,186	75.3	4,785	944	288.2	19.7
121	123	305	128	**Borden**/New York, NY	7,633	363.6	5,284	5,081	560.9	46.3
■	441	458	■	**Boston Edison**/Boston, MA	1,259	79.6	3,012	780	225.9	4.7
■	415	■	■	**Bowater**/Darien, CT	1,380	87.4	2,298	856	204.9	5.1
80	11	197	7	**Bristol-Myers Squibb**/New York, NY	10,300	1,748.0	9,215	40,009	1,992.0	53.5
■	■	178	■	**Broad**/Los Angeles, CA	869	39.8	10,344	297	39.8	1.0
■	299	■	291	**Brown-Forman**/Louisville, KY	1,074	142.7	1,030	2,142	175.8	5.5
449	■	■	■	**Brown Group**/St Louis, MO	1,764	31.8	737	468	60.4	27.8
283	■	414	157	**Browning-Ferris Inds**/Houston, TX	3,054	–50.4	3,563	3,957	265.4	25.4
345	■	■	386	**Bruno's**/Birmingham, AL	2,521	65.0	744	1,490	103.4	19.2
351	478	■	461	**Brunswick**/Skokie, IL	2,478	70.9	1,895	1,214	216.5	22.9
200	200	279	283	**Burlington Northern**/Fort Worth, TX	4,674	222.0	6,075	2,200	568.0	32.9
432	192	269	123	**Burlington Resources**/Seattle, WA	1,871	228.9	6,360	5,191	508.7	5.1
461	470	■	■	**Cabot**/Waltham, MA	1,714	71.9	1,837	872	163.7	5.8

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393	■	72	■	**CalFed**/Los Angeles, CA	2,164	–256.9	24,509	185	–190.2	5.3
■	436	■	■	**CalMat**/Los Angeles, CA	421	80.8	548	524	119.1	1.8
143	■	360	51	**Campbell Soup**/Camden, NJ	6,325	56.6	4,281	10,254	268.4	52.7
179	191	27	251	**C&S/Sovran**/Atlanta, GA	5,310	229.0	51,237	2,517	388.7	30.1
175	91	255	73	**Capital Cities/ABC**/New York, NY	5,386	477.8	6,696	7,848	637.4	20.0
342	254	103	295	**Capital Holding**/Louisville, KY	2,577	166.2	16,669	2,111	184.7	9.0
■	212	■	242	**Carnival Cruise Lines**/Miami, FL	1,391	206.2	2,684	2,610	296.1	13.6
336	166	233	164	**Carolina Power & Lt**/Raleigh, NC	2,617	280.4	7,519	3,797	715.5	8.1
313	■	■	■	**Carter Hawley Hale**/Los Angeles, CA	2,765	–14.8	2,059	65	34.3	36.5
290	329	■	292	**Castle & Cooke**/Los Angeles, CA	3,003	120.5	2,370	2,141	190.5	48.0
66	206	141	134	**Caterpillar**/Peoria, IL	11,436	210.0	11,951	4,869	743.0	59.7
488	■	■	■	**CBI Industries**/Oak Brook, IL	1,576	55.1	1,432	990	132.3	12.5
271	352	339	278	**CBS**/New York, NY	3,261	111.5	4,692	2,238	170.2	6.7
■	■	■	457	**Cellular Communications**/New York, NY	114	25.5	426	1,222	56.5	0.7
■	■	418	237	**Centel**/Chicago, IL	1,149	64.6	3,543	2,649	262.2	12.4
366	173	142	235	**Centerior Energy**/Cleveland, OH	2,368	264.5	11,894	2,664	516.1	8.8
379	■	■	■	**Centex**/Dallas, TX	2,289	55.0	2,112	506	68.6	4.9
317	125	198	151	**Central & So West**/Dallas, TX	2,744	356.0	9,074	4,211	673.0	8.4
■	■	326	■	**Central Bancshares**/Birmingham, AL	513	48.9	4,915	363	62.0	2.5
■	■	275	■	**Central Fidelity Bks**/Richmond, VA	605	55.8	6,173	401	68.5	3.2
190	199	215	259	**Champion Intl**/Stamford, CT	5,090	222.6	8,351	2,406	545.8	29.1
44	■	9	333	**Chase Manhattan**/New York, NY	13,672	–334.0	98,064	1,828	–91.0	40.5
109	158	16	408	**Chemical Banking**/New York, NY	7,987	291.2	73,019	1,390	527.2	27.9
11	7	42	13	**Chevron**/San Francisco, CA	38,607	2,157.0	35,089	27,367	4,928.0	54.5
213	397	■	357	**Chiquita Brands Intl**/Cincinnati, OH	4,273	93.9	2,174	1,681	150.1	45.0
■	■	■	489	**Chiron**/Emeryville, CA	79	4.0	265	1,109	9.2	0.6
16	495	32	197	**Chrysler**/Highland Park, MI	30,620	68.0	46,369	3,197	1,466.0	109.9
214	77	136	110	**Chubb**/Warren, NJ	4,247	522.1	12,268	5,590	548.9	9.9
32	136	19	189	**Cigna**/Philadelphia, PA	18,164	330.0	63,691	3,343	330.0	50.6
■	405	■	389	**Cincinnati Bell**/Cincinnati, OH	1,013	91.0	1,645	1,478	197.6	11.4
■	314	■	378	**Cincinnati Financial**/Cincinnati, OH	1,049	129.0	2,590	1,552	134.0	1.7
■	183	372	358	**Cincinnati G&E**/Cincinnati, OH	1,438	234.7	4,156	1,680	328.5	5.3
237	■	■	■	**Circle K**/Phoenix, AZ	3,751	–811.3	1,318	45	–702.0	26.6
373	472	■	■	**Circuit City Stores**/Richmond, VA	2,329	71.4	982	757	98.9	11.8
■	453	■	350	**Circus Circus**/Las Vegas, NV	692	76.3	792	1,719	118.7	11.3
■	■	290	■	**Citadel Holding**/Glendale, CA	531	23.3	5,698	109	30.9	0.8
12	141	1	139	**Citicorp**/New York, NY	38,385	318.0	216,986	4,711	1,086.0	93.5
■	■	497	■	**Citizens First Bncp**/Glen Rock, NJ	270	–79.5	2,708	74	–75.0	1.0
■	■	364	■	**Citizens Savings**/Miami, FL	395	3.9	4,228	28	10.2	0.9
■	388	■	399	**Citizens Utilities**/Stamford, CT	363	96.5	1,251	1,438	130.8	1.7
■	■	322	■	**City National**/Beverly Hills, CA	501	44.0	4,956	462	52.0	2.3
492	293	■	293	**Clorox**/Oakland, CA	1,558	140.5	1,547	2,134	206.1	5.4
295	■	224	256	**CMS Energy**/Dearborn, MI	2,977	–493.6	7,921	2,443	–214.6	9.6
■	■	180	■	**Coast Savings Finl**/Los Angeles, CA	1,076	–62.9	10,217	59	–51.5	2.0
91	196	196	187	**Coastal Corp**/Houston, TX	9,381	225.6	9,230	3,380	535.0	13.5
81	20	193	8	**Coca-Cola**/Atlanta, GA	10,236	1,381.9	9,278	36,085	1,625.8	22.5
220	399	318	298	**Coca-Cola Enterprises**/Atlanta, GA	4,034	93.4	5,021	2,096	329.0	20.0

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167	139	371	130	Colgate-Palmolive/New York, NY	5,691	321.0	4,158	5,033	447.3	24.8
■	■	460	■	Colorado Natl Bkshs/Denver, CO	406	2.9	3,094	162	15.1	2.8
369	366	274	276	Columbia Gas System/Wilmington, DE	2,358	104.7	6,196	2,240	353.5	10.8
■	■	■	341	Comcast/Philadelphia, PA	657	–178.4	2,457	1,798	–17.2	3.1
410	430	328	■	Comdisco/Rosemont, IL	2,015	83.0	4,868	960	875.0	1.9
■	316	127	■	Comerica/Detroit, MI	1,324	128.5	13,300	959	159.4	6.7
■	■	253	■	Commerce Bcshs/Kansas City, MO	598	57.5	6,709	458	75.7	3.7
■	■	300	■	Commercial Federal/Omaha, NE	534	1.3	5,476	25	19.7	1.0
181	317	89	65	Commonwealth Ed/Chicago, IL	5,262	128.3	20,496	8,492	1,073.8	18.4
■	428	■	359	Community Psych/Laguna Hills, CA	371	83.2	552	1,679	95.2	5.9
250	98	496	127	Compaq Computer/Houston, TX	3,599	454.9	2,718	5,134	590.2	10.3
■	258	■	384	Computer Associates/Garden City, NY	1,311	162.0	1,596	1,504	275.3	6.6
470	496	■	■	Computer Sciences/El Segundo, CA	1,679	68.0	952	961	107.4	20.6
30	162	187	97	ConAgra/Omaha, NE	18,696	285.3	9,564	6,085	455.6	75.0
■	■	■	407	Conner Peripherals/San Jose, CA	1,338	13.1	880	1,391	47.0	7.4
■	■	217	■	Conseco/Carmel, IN	758	42.1	8,270	246	42.1	0.7
164	65	165	105	Consolidated Edison/New York, NY	5,739	571.5	10,686	5,736	914.3	19.6
216	■	■	■	Consol Freightways/Menlo Park, CA	4,209	–28.0	2,412	525	142.8	41.1
323	256	319	176	Consol Natural Gas/Pittsburgh, PA	2,715	163.8	5,006	3,518	445.6	7.5
■	290	■	369	Consolidated Papers/Wisconsin Rapids, WI	949	142.5	1,192	1,592	199.0	4.7
265	178	238	319	Consolidated Rail/Philadelphia, PA	3,372	247.0	7,245	1,895	549.0	27.8
147	■	332	■	Continental Airlines1/Houston, TX	6,231	–2,343.9	4,773	140	–1,934.2	65.0
281	460	64	■	Continental Bank/Chicago, IL	3,070	74.6	27,143	553	99.0	6.2
165	291	117	391	Continental Corp/New York, NY	5,706	141.1	13,927	1,476	192.0	15.5
465	■	■	■	Control Data/Minneapolis, MN	1,691	2.7	1,424	510	96.5	16.3
148	124	240	117	Cooper Industries/Houston, TX	6,222	361.4	7,168	5,321	599.9	57.8
435	■	■	■	Adolph Coors/Golden, CO	1,863	38.9	1,746	893	169.3	10.7
341	347	80	325	CoreStates Financial/Philadelphia, PA	2,584	114.0	23,520	1,874	194.8	13.1
299	160	421	112	Corning/Corning, NY	2,941	289.1	3,512	5,534	500.3	28.1
209	■	■	263	Costco Wholesale/Kirkland, WA	4,420	56.1	1,003	2,389	76.7	10.8
161	116	350	94	CPC International/Englewood Cliffs, NJ	5,781	373.9	4,490	6,195	611.3	34.2
■	350	■	■	Cray Research/Eagan, MN	804	113.0	944	996	282.5	4.8
■	■	143	■	Crestar Financial/Richmond, VA	1,264	61.1	11,881	516	98.8	6.0
■	■	154	■	CrossLand Savings FSB/Brooklyn, NY	1,119	–421.1	11,178	10	–392.2	3.2
406	■	■	■	Crown Central Pet/Baltimore, MD	2,060	26.0	688	299	57.6	5.2
280	360	■	344	Crown Cork & Seal/Philadelphia, PA	3,072	107.1	2,596	1,780	209.1	16.0
106	104	131	175	CSX/Richmond, VA	8,205	416.0	12,804	3,587	889.0	51.4
■	■	445	■	Cullen/Frost Bankers/San Antonio, TX	323	–8.2	3,255	69	0.0	1.8
256	■	■	■	Cummins Engine/Columbus, IN	3,462	–165.1	2,086	517	–21.7	25.0
434	353	■	■	Cyprus Minerals/Englewood, CO	1,866	111.0	1,919	793	310.9	8.4
184	456	349	480	Dana/Toledo, OH	5,225	75.6	4,513	1,154	269.2	37.0
■	■	424	■	Dauphin Deposit/Harrisburg, PA	335	45.4	3,489	425	49.6	1.7
40	106	212	138	Dayton Hudson/Minneapolis, MN	14,739	410.0	8,524	4,799	779.0	157.0
399	■	■	462	Dean Foods/Franklin Park, IL	2,146	66.9	871	1,206	108.9	8.2
118	159	162	163	Deere & Co/Moline, IL	7,678	289.5	10,941	3,824	498.0	38.7
98	■	236	210	Delta Air Lines/Atlanta, GA	8,707	–154.0	7,327	2,966	334.1	60.3
■	250	■	196	Deluxe/St Paul, MN	1,414	172.2	924	3,221	246.2	17.1

■Not on 500 list. 1Formerly Texas Air.

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■	■	324	■	**Deposit Guaranty**/Jackson, MS	467	24.5	4,923	196	38.0	2.4
■	412	■	■	**DeSoto**/Des Plaines, IL	74	88.2	107	38	106.9	0.3
269	78	169	152	**Detroit Edison**/Detroit, MI	3,307	514.5	10,573	4,206	881.6	10.0
326	447	■	■	**Diamond Shamrock**/San Antonio, TX	2,708	77.5	1,134	610	124.7	5.1
49	■	149	66	**Digital Equipment**/Maynard, MA	13,072	–94.5	11,584	8,411	725.6	124.9
249	234	469	168	**Dillard Dept Stores**/Little Rock, AR	3,606	182.8	3,008	3,739	281.5	31.8
■	■	163	■	**Dime Savings Bank FSB**/New York, NY	1,099	–135.7	10,842	121	–119.0	2.5
■	■	266	■	**Discount Corp of NY2**/New York, NY	365	3.9	6,461	84	6.4	0.4
154	42	211	34	**Walt Disney**/Burbank, CA	6,048	820.0	8,568	15,460	1,404.9	49.5
■	■	177	■	**Dominion Bankshares**/Roanoke, VA	1,106	–37.1	10,369	320	–1.9	5.5
251	100	160	135	**Dominion Resources**/Richmond, VA	3,533	445.7	10,991	4,851	966.7	13.1
254	195	436	174	**RR Donnelley & Sons**/Chicago, IL	3,498	225.8	3,343	3,641	420.8	26.8
385	265	■	261	**Dover**/New York, NY	2,210	155.7	1,468	2,392	233.2	20.3
26	19	75	40	**Dow Chemical**/Midland, MI	19,773	1,384.0	23,953	12,892	2,706.0	62.1
458	361	■	255	**Dow Jones**/New York, NY	1,720	105.9	2,591	2,460	293.1	9.7
■	■	369	■	**Downey S&L Assn**/Newport Beach, CA	400	42.0	4,168	230	42.0	1.0
■	270	485	405	**DPL**/Dayton, OH	946	153.0	2,824	1,406	218.9	2.9
■	327	385	422	**DQE**/Pittsburgh, PA	1,134	121.7	3,919	1,344	293.2	4.3
198	253	457	195	**Dresser Industries**/Dallas, TX	4,706	168.6	3,119	3,237	264.1	32.3
■	■	■	417	**Dreyfus**/New York, NY	261	62.1	793	1,361	67.6	1.5
10	6	41	18	**El du Pont de Nemours**/Wilmington, DE	39,709	2,310.0	38,128	24,449	4,935.0	144.9
245	76	181	103	**Duke Power**/Charlotte, NC	3,681	538.2	10,084	5,824	1,114.5	19.7
194	79	334	68	**Dun & Bradstreet**/New York, NY	4,818	508.2	4,754	8,329	857.2	68.3
439	421	■	471	**E-Systems**/Dallas, TX	1,810	85.6	976	1,182	131.9	18.2
29	54	74	39	**Eastman Kodak**/Rochester, NY	18,908	703.0	24,121	13,995	2,012.0	136.1
246	242	467	315	**Eaton**/Cleveland, OH	3,639	179.0	3,013	1,960	334.3	37.7
477	■	■	■	**Echlin**/Branford, CT	1,652	44.8	1,277	715	90.4	17.3
353	463	■	481	**EG&G**/Wellesley, MA	2,474	74.0	675	1,148	103.9	31.0
114	58	267	54	**Emerson Electric**/St Louis, MO	7,728	618.1	6,449	9,686	900.1	73.7
298	482	■	479	**Engelhard**/Iselin, NJ	2,942	70.3	1,320	1,159	144.7	7.5
48	215	183	218	**Enron**/Houston, TX	13,165	202.2	9,849	2,847	558.0	6.6
309	370	443	445	**Enserch**/Dallas, TX	2,815	102.8	3,264	1,255	232.0	10.8
224	90	112	146	**Entergy**/New Orleans, LA	3,982	478.3	14,831	4,446	871.2	13.3
■	■	■	397	**Equifax**/Atlanta, GA	1,079	63.9	754	1,452	117.3	14.1
■	■	430	■	**Equimark**/Pittsburgh, PA	431	–140.3	3,417	24	–128.0	2.0
■	■	408	■	**Equitable of Iowa**/Des Moines, IA	657	23.7	3,650	156	33.4	4.8
348	187	257	177	**Ethyl**/Richmond, VA	2,514	232.2	6,690	3,506	340.9	5.6
2	2	13	1	**Exxon**/Irving, TX	105,519	5,010.0	87,707	72,084	10,555.0	104.0
■	■	426	■	**Farm & Home Finl**/Nevada, MO	301	4.4	3,446	41	6.3	0.6
116	■	276	326	**Federal Express**/Memphis, TN	7,688	18.0	6,164	1,873	516.2	80.9
222	105	39	147	**Federal Home Loan**/McLean, VA	3,999	414.0	40,579	4,443	414.0	2.0
53	27	6	43	**Federal Natl Mortgage**/Washington, DC	12,720	1,173.4	133,113	11,687	1,173.4	2.5
■	336	■	■	**Federal Paper Board**/Montvale, NJ	1,366	118.2	2,448	1,007	207.5	7.2
■	330	223	380	**Fifth Third Bancorp**/Cincinnati, OH	834	120.4	7,956	1,546	131.1	4.0
■	489	270	■	**First Alabama Bcshs**/Montgomery, AL	612	68.9	6,344	721	83.5	4.1
■	■	265	■	**First American Corp**/Nashville, TN	733	–62.4	6,480	213	–45.6	3.7
■	■	396	■	**First Bancp Ohio**/Akron, OH	365	34.9	3,722	314	45.5	2.3

■Not on 500 list. 2Formerly DCNY Corp.

Where they rank: 1990 Sales	Net profits	Assets	Market value	Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
400	310	94	431	**First Bank System**/Minneapolis, MN	2,139	130.6	19,001	1,316	177.8	9.5
■	■	185	■	**First Capital Holding**/Los Angeles, CA	1,004	41.9	9,737	123	153.6	1.0
166	177	29	415	**First Chicago**/Chicago, IL	5,693	249.3	50,779	1,362	395.3	18.6
■	■	329	■	**First Citizens Bcshs**/Raleigh, NC	421	28.4	4,825	204	40.0	3.6
■	■	126	■	**First City Bncp Texas**/Houston, TX	1,352	–158.3	13,344	97	–125.8	6.7
■	■	351	■	**First Commerce**/New Orleans, LA	482	22.0	4,468	219	35.6	2.6
■	■	230	■	**First Empire State**/Buffalo, NY	713	53.9	7,715	460	62.1	2.7
■	■	106	■	**First Executive**/Inglewood, CA	872	–735.8	16,018	98	–735.8	1.1
285	■	60	388	**First Fidelity Bncp**/Lawrenceville, NJ	3,053	–6.1	29,110	1,484	36.5	12.0
■	466	299	■	**First Financial Mgmt**/Atlanta, GA	1,284	72.9	5,479	805	134.7	8.9
■	■	287	■	**First Florida Banks**/Tampa, FL	585	–11.5	5,780	199	16.1	4.1
■	471	297	■	**First Hawaiian**/Honolulu, HI	541	71.5	5,508	772	82.3	2.3
158	101	26	334	**First Interstate Bncp**/Los Angeles, CA	5,934	438.7	51,356	1,827	603.7	35.5
■	307	114	■	**First of America Bank**/Kalamazoo, MI	1,389	131.6	14,039	838	164.5	10.1
■	■	264	■	**First Security**/Salt Lake City, UT	703	45.7	6,493	398	57.6	4.5
■	■	254	■	**First Tennessee Natl**/Memphis, TN	740	47.9	6,708	387	69.1	3.9
219	148	38	274	**First Union**/Charlotte, NC	4,069	304.3	40,781	2,252	463.3	19.1
■	■	302	■	**First Virginia Banks**/Falls Church, VA	570	65.1	5,384	568	77.7	4.5
346	153	69	184	**First Wachovia**/Winston-Salem, NC	2,519	297.2	26,271	3,402	356.9	13.7
■	384	191	■	**Firstar**/Milwaukee, WI	976	97.6	9,383	687	110.3	6.8
■	■	166	■	**FirstFed Michigan**/Detroit, MI	1,047	11.0	10,675	146	23.6	1.6
■	■	463	■	**FirsTier Financial**/Omaha, NE	294	2.6	3,075	206	13.8	1.5
226	■	50	351	**Fleet/Norstar Finl**/Providence, RI	3,933	–48.5	32,507	1,717	103.0	18.7
60	386	491	470	**Fleming Cos**/Oklahoma City, OK	11,933	97.3	2,768	1,184	179.8	22.9
■	454	■	367	**FlightSafety Intl**/Flushing, NY	273	75.7	621	1,602	106.7	2.5
412	255	317	307	**Florida Progress**/St Petersburg, FL	2,011	164.8	5,046	2,036	372.2	7.7
123	285	■	159	**Fluor**/Irvine, CA	7,328	144.5	2,448	3,906	260.9	21.1
240	266	474	444	**FMC**/Chicago, IL	3,722	155.3	2,959	1,257	366.5	24.0
171	248	■	118	**Food Lion**/Salisbury, NC	5,584	172.6	1,559	5,317	254.0	44.0
3	39	3	35	**Ford Motor**/Dearborn, MI	97,650	860.1	173,611	15,425	5,739.7	381.4
■	■	■	395	**Forest Labs**/New York, NY	162	35.7	319	1,470	41.8	1.0
■	■	465	■	**Fortune Financial**/Clearwater, FL	296	–3.3	3,037	40	2.3	0.8
473	■	■	■	**Foster Wheeler**/Clinton, NJ	1,661	38.3	1,441	1,068	63.1	8.5
■	■	361	■	**Fourth Financial**/Wichita, KS	386	17.5	4,279	354	30.3	2.0
145	■	129	136	**FPL Group**/Juno Beach, FL	6,289	–391.0	12,949	4,813	225.9	19.0
■	406	■	427	**Franklin Resources**/San Mateo, CA	293	90.6	505	1,330	94.9	1.9
487	143	411	297	**Freeport-McMoRan**/New Orleans, LA	1,581	313.6	3,588	2,098	570.7	7.5
■	449	■	■	**Fruit of the Loom**/Chicago, IL	1,427	77.1	2,151	756	165.3	26.9
■	■	462	423	**Fund American Cos3**/Purchase, NY	275	–119.0	3,087	1,332	–119.0	1.4
259	115	391	87	**Gannett**/Arlington, VA	3,442	377.0	3,826	6,682	571.0	36.7
423	284	■	185	**Gap**/San Francisco, CA	1,934	144.5	777	3,390	206.3	24.5
■	431	440	■	**GATX**/Chicago, IL	870	82.9	3,310	622	198.3	3.9
422	207	413	252	**Geico**/Washington, DC	1,935	208.4	3,576	2,502	219.5	6.7
447	■	■	■	**GenCorp**/Fairlawn, OH	1,775	63.0	1,078	294	139.0	14.5
■	■	■	227	**Genentech**/South San Francisco, CA	447	–98.0	1,158	2,752	–50.7	1.8
388	332	455	372	**General Cinema**/Chestnut Hill, MA	2,199	120.0	3,156	1,577	184.3	24.9
82	■	260	452	**General Dynamics**/St Louis, MO	10,173	–577.9	6,573	1,229	–199.9	100.2

■Not on 500 list. 3Figures are pro forma, reflecting the sale of Fireman's Fund.

Where they rank: 1990 Sales	Net profits	Assets	Market value	Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
5	3	4	4	General Electric/Fairfield, CT	58,414	4,303.0	153,884	57,844	6,811.0	295.0
126	96	395	56	General Mills/Minneapolis, MN	7,032	457.1	3,733	9,336	656.3	90.5
1	■	2	12	General Motors/Detroit, MI	124,705	–1,985.7	179,976	28,174	5,667.6	761.4
291	168	248	238	General Public Utils/Parsippany, NJ	2,996	278.2	6,916	2,645	668.7	12.8
292	61	157	71	General Re/Stamford, CT	2,993	613.6	11,033	8,033	614.4	2.4
464	■	■	■	General Signal/Stamford, CT	1,695	–32.9	1,295	770	28.7	17.6
268	211	■	202	Genuine Parts/Atlanta, GA	3,319	206.6	1,352	3,054	235.4	16.0
■	393	■	■	Georgia Gulf/Atlanta, GA	932	95.3	457	509	115.2	1.2
54	122	140	166	Georgia-Pacific/Atlanta, GA	12,665	365.0	12,060	3,750	1,114.0	59.8
■	348	■	287	Gerber Products/Fremont, MI	1,178	113.5	797	2,177	140.1	12.4
266	335	■	355	Giant Food/Washington, DC	3,350	119.0	1,175	1,710	195.8	26.1
211	120	404	83	Gillette/Boston, MA	4,345	367.9	3,671	7,000	544.9	30.4
■	411	■	486	PH Glatfelter/Spring Grove, PA	625	88.3	599	1,129	118.4	3.5
371	■	73	■	GlenFed/Glendale, CA	2,338	–70.9	24,404	210	–18.8	6.2
401	239	82	343	Golden West Finl/Oakland, CA	2,127	181.5	22,562	1,789	209.6	2.7
■	■	153	■	Goldome/Buffalo, NY	1,251	5.8	11,311	23	84.6	3.4
358	300	■	■	BF Goodrich/Akron, OH	2,433	136.3	2,366	966	240.2	11.9
69	■	204	435	Goodyear/Akron, OH	11,273	–38.3	8,964	1,294	376.7	107.7
132	214	273	240	WR Grace/New York, NY	6,754	202.8	6,227	2,636	552.2	50.9
421	319	■	304	WW Grainger/Skokie, IL	1,935	126.8	1,162	2,051	159.9	8.1
■	■	109	■	Great American Bank/San Diego, CA	1,400	–341.9	15,032	27	–309.1	2.5
433	468	■	■	Great American Mgmt/Chicago, IL	1,871	72.2	1,888	277	139.9	13.5
67	274	435	308	Great A&P Tea/Montvale, NJ	11,391	151.0	3,357	2,025	344.6	95.5
■	■	432	■	Great Lakes Bancorp/Ann Arbor, MI	369	–26.8	3,392	44	12.3	1.0
■	292	■	225	Great Lakes Chemical/West Lafayette, IN	1,066	140.8	1,406	2,789	191.4	5.3
215	221	40	286	Gt Western Financial/Beverly Hills, CA	4,212	193.1	39,406	2,185	257.4	13.4
■	■	464	■	Greater NY Savings/New York, NY	281	–16.8	3,052	41	–14.3	0.8
252	■	301	451	Greyhound Dial/Phoenix, AZ	3,519	16.4	5,431	1,237	103.5	37.0
223	422	■	■	Grumman/Bethpage, NY	3,990	85.6	2,454	513	190.9	27.5
31	15	46	19	GTE/Stamford, CT	18,374	1,541.0	33,769	21,295	4,294.0	156.0
466	■	250	440	Gulf States Utils/Beaumont, TX	1,691	–44.3	6,863	1,270	180.1	4.8
129	218	347	122	Halliburton/Dallas, TX	6,926	197.4	4,544	5,207	447.1	71.2
467	■	■	■	Hannaford Bros/Scarborough, ME	1,688	42.2	629	802	77.7	15.0
453	■	448	■	Hanover Insurance/Worcester, MA	1,749	53.2	3,241	619	53.2	5.7
■	■	452	■	Harcourt Brace/Orlando, FL	1,413	–80.9	3,182	64	30.6	6.4
460	487	■	■	Harnischfeger Inds/Milwaukee, WI	1,717	69.1	1,581	575	185.7	12.2
284	■	■	■	Harris Corp/Melbourne, FL	3,054	36.0	2,595	972	243.9	34.3
450	467	■	■	Harsco/Camp Hill, PA	1,760	72.5	991	652	129.1	10.8
■	444	■	464	Hartford Steam Boiler/Hartford, CT	562	78.7	827	1,203	93.0	3.7
499	408	■	428	Hasbro/Pawtucket, RI	1,520	89.2	1,285	1,324	149.4	7.7
■	■	402	■	Hawaiian Electric/Honolulu, HI	1,011	43.6	3,674	724	98.3	3.2
139	72	311	52	HJ Heinz/Pittsburgh, PA	6,503	547.2	5,170	10,051	733.2	36.8
431	■	453	■	Henley Group/Hampton, NH	1,871	–101.0	3,170	380	56.0	11.0
275	390	401	317	Hercules/Wilmington, DE	3,200	96.0	3,700	1,902	287.1	21.6
322	202	■	172	Hershey Foods/Hershey, PA	2,716	215.9	2,079	3,664	289.8	12.3
47	49	155	44	Hewlett-Packard/Palo Alto, CA	13,538	771.0	11,126	11,682	1,337.0	93.5
■	■	235	■	Hibernia/New Orleans, LA	829	–11.0	7,358	178	6.8	3.4

■Not on 500 list.

Where they rank: 1990 Sales	Net profits	Assets	Market value	Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
■	455	■	373	Hillenbrand Inds/Batesville, IN	1,107	75.7	1,268	1,574	169.7	9.3
389	■	■	■	Hills Dept Stores/Canton, MA	2,188	–6.1	1,264	38	48.7	28.3
■	351	■	318	Hilton Hotels/Beverly Hills, CA	1,087	112.5	1,927	1,900	208.2	38.5
232	257	■	101	Home Depot/Atlanta, GA	3,815	163.4	1,640	5,967	197.8	22.3
426	■	96	■	HomeFed/San Diego, CA	1,906	–247.5	18,260	107	–208.0	4.3
■	■	■	364	Homestake Mining/San Francisco, CA	482	20.8	1,081	1,611	95.3	2.1
144	114	336	154	Honeywell/Minneapolis, MN	6,309	381.9	4,746	4,158	664.9	62.8
315	429	■	349	Geo A Hormel/Austin, MN	2,762	83.1	819	1,726	118.9	8.2
212	182	59	377	Household Intl/Prospect Heights, IL	4,320	235.3	29,455	1,553	378.1	14.6
218	132	144	142	Houston Industries/Houston, TX	4,179	339.5	11,877	4,582	766.9	13.3
■	■	353	■	Howard Savings Bank/Livingston, NJ	439	–161.3	4,418	28	–153.2	2.2
■	420	■	409	Hubbell/Orange, CT	720	86.0	625	1,389	103.9	5.4
182	135	370	124	Humana/Louisville, KY	5,261	332.4	4,159	5,167	567.7	58.6
■	423	146	■	Huntington Bcshs/Columbus, OH	1,256	85.2	11,809	857	120.9	6.0
428	■	295	■	ICH/Louisville, KY	1,905	–220.0	5,546	229	–193.4	4.3
■	485	■	■	Idaho Power/Boise, ID	465	69.2	1,680	909	124.4	1.6
■	■	304	416	Illinois Power/Decatur, IL	1,396	–78.5	5,345	1,362	100.2	4.3
343	237	■	208	Illinois Tool Works/Glenview, IL	2,544	182.4	2,150	2,983	284.5	17.1
■	409	■	487	IMC Fertilizer Group/Northbrook, IL	1,134	88.6	1,645	1,126	185.4	6.0
493	448	■	290	Imcera Group4/Northbrook, IL	1,555	77.3	2,239	2,145	161.4	9.0
■	■	272	■	INB Financial/Indianapolis, IN	657	40.6	6,263	422	55.2	3.2
239	230	472	271	Ingersoll-Rand/Woodcliff Lake, NJ	3,738	185.3	2,983	2,273	282.7	32.7
230	■	475	■	Inland Steel Inds/Chicago, IL	3,870	–20.6	2,935	676	99.1	20.2
■	■	231	■	Integra Financial/Pittsburgh, PA	740	26.1	7,627	447	40.2	4.0
228	56	303	63	Intel/Santa Clara, CA	3,921	650.3	5,376	8,735	948.7	23.4
496	■	■	■	Intelligent Electron/Exton, PA	1,534	33.5	432	542	41.4	0.7
■	■	■	485	Intergraph/Huntsville, AL	1,045	62.6	907	1,141	117.6	8.9
4	1	14	3	IBM/Armonk, NY	69,018	6,020.0	87,568	63,784	11,323.0	378.5
■	264	■	209	Intl Flavors & Frags/New York, NY	963	156.7	1,129	2,982	184.9	4.2
391	■	■	■	Intl Multifoods/Minneapolis, MN	2,178	30.9	845	530	63.5	9.1
51	66	121	89	International Paper/Purchase, NY	12,960	569.0	13,669	6,569	1,236.0	66.3
■	439	■	371	Interpublic Group/New York, NY	1,329	80.1	2,584	1,580	117.8	15.8
■	387	■	■	Ipalco Enterprises/Indianapolis, IN	611	96.9	1,801	1,042	173.6	2.3
416	303	427	■	Itel/Chicago, IL	1,977	132.4	3,443	504	220.9	8.1
24	35	30	95	ITT/New York, NY	20,604	958.0	49,043	6,194	1,464.0	116.5
174	445	288	300	James River Corp Va/Richmond, VA	5,416	78.2	5,741	2,094	385.8	40.0
■	263	352	387	Jefferson-Pilot/Greensboro, NC	1,163	157.6	4,455	1,488	173.1	4.1
70	28	190	10	Johnson & Johnson/New Brunswick, NJ	11,232	1,143.0	9,506	30,446	1,617.0	82.7
204	409	488	496	Johnson Controls/Milwaukee, WI	4,582	88.6	2,795	1,094	277.9	43.1
■	■	■	410	Jostens/Minneapolis, MN	821	62.0	508	1,374	82.5	9.7
307	■	■	■	JWP/Purchase, NY	2,827	59.3	1,484	783	85.5	22.0
■	371	■	494	Kansas City P&L/Kansas City, MO	761	102.7	2,599	1,103	196.1	2.9
■	440	■	■	Kansas Power & Light/Topeka, KS	1,150	79.6	2,016	821	156.4	4.6
186	80	394	46	Kellogg/Battle Creek, MI	5,181	502.8	3,749	11,129	703.0	17.3
■	475	■	495	Kelly Services/Troy, MI	1,471	71.2	444	1,098	80.0	3.9
300	■	122	382	Kemper/Long Grove, IL	2,929	11.9	13,588	1,520	11.9	9.5
■	438	■	■	Kentucky Utilities/Lexington, KY	554	80.1	1,426	794	136.3	2.1

■Not on 500 list. 4Formerly International Minerals & Chemicals.

Where they rank: 1990 Sales	Net profits	Assets	Market value	Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
243	275	425	301	Kerr-McGee/Oklahoma City, OK	3,683	150.2	3,473	2,073	477.2	7.3
440	279	92	467	KeyCorp/Albany, NY	1,800	148.4	19,266	1,193	191.0	10.7
141	102	306	85	Kimberly-Clark/Dallas, TX	6,407	432.1	5,284	6,893	672.4	39.8
■	417	■	492	King World Prods/New York, NY	460	86.8	484	1,103	99.1	0.4
15	50	119	72	Kmart/Troy, MI	32,339	756.2	13,899	7,994	1,253.2	369.0
374	278	■	253	Knight-Ridder/Miami, FL	2,305	149.0	2,270	2,475	258.6	21.1
25	427	373	345	Kroger/Cincinnati, OH	20,261	83.3	4,119	1,771	328.0	170.0
485	■	■	■	Lafarge/Reston, VA	1,598	50.0	1,689	686	142.8	7.9
■	465	■	■	LG&E Energy5/Louisville, KY	699	73.2	2,001	846	128.8	3.5
■	■	399	■	Liberty National/Louisville, KY	375	32.8	3,713	298	43.0	2.0
185	29	241	21	Eli Lilly/Indianapolis, IN	5,192	1,127.3	7,143	20,283	1,374.8	29.1
183	109	481	57	Limited/Columbus, OH	5,254	398.4	2,872	9,276	582.4	65.5
100	224	63	280	Lincoln National/Fort Wayne, IN	8,443	191.5	27,597	2,222	245.9	16.7
189	251	316	348	Litton Industries/Beverly Hills, CA	5,155	170.6	5,047	1,751	389.6	50.7
457	213	■	165	Liz Claiborne/New York, NY	1,729	205.8	985	3,791	227.0	5.8
86	134	251	244	Lockheed/Calabasas, CA	9,958	335.0	6,860	2,599	703.0	77.8
■	499	■	474	Loctite/Hartford, CT	555	67.4	489	1,174	83.0	3.6
62	44	44	79	Loews/New York, NY	11,799	804.7	34,736	7,315	909.1	26.9
■	■	473	■	Lone Star Tech/Dallas, TX	612	45.6	2,972	124	51.6	2.0
355	140	205	248	Long Island Lighting/Hicksville, NY	2,447	319.6	8,843	2,560	533.4	6.4
372	■	■	■	Longs Drug Stores/Walnut Creek, CA	2,334	59.6	623	802	81.0	14.7
445	424	■	■	Loral/New York, NY	1,789	84.8	2,440	996	178.5	11.2
■	■	■	456	Louisiana Land/New Orleans, LA	858	54.9	1,226	1,223	166.7	0.7
443	404	■	493	Louisiana-Pacific/Portland, OR	1,793	91.1	2,104	1,103	243.4	13.0
306	476	■	■	Lowe's Cos/No Wilkesboro, NC	2,833	71.1	1,203	1,033	122.5	15.4
152	478	263	■	LTV/Dallas, TX	6,138	70.9	6,511	200	309.1	36.7
■	227	■	342	Lubrizol/Wickliffe, OH	1,453	190.0	1,115	1,796	249.6	5.1
140	125	■	346	Lyondell Petrochem/Houston, TX	6,495	356.0	1,372	1,760	389.0	2.2
■	437	■	■	Magma Copper/Tucson, AZ	767	80.4	1,004	171	113.8	4.4
115	297	21	347	Manufacturers Hanover/New York, NY	7,695	139.0	61,530	1,756	273.0	19.6
■	359	139	■	Manufacturers Natl/Detroit, MI	1,162	108.2	12,078	820	128.9	6.0
382	354	487	■	Manville/Denver, CO	2,245	110.7	2,796	264	238.5	17.5
325	311	■	402	Mapco/Tulsa, OK	2,708	130.0	1,700	1,418	208.3	6.2
354	86	■	50	Marion Merrell Dow/Kansas City, MO	2,462	487.0	2,160	10,641	558.0	9.5
120	■	246	381	Marriott/Washington, DC	7,646	47.0	6,926	1,526	254.6	219.5
319	149	■	104	Marsh & McLennan Cos/New York, NY	2,723	304.1	2,411	5,818	409.1	24.0
■	473	234	■	Marshall & Ilsley/Milwaukee, WI	833	71.3	7,460	633	89.2	6.0
153	137	410	232	Martin Marietta/Bethesda, MD	6,126	327.6	3,611	2,680	543.4	63.8
274	298	393	193	Masco/Taylor, MI	3,209	138.8	3,761	3,288	232.3	41.8
491	■	■	■	Masco Industries/Taylor, MI	1,562	–24.4	2,080	371	47.2	13.8
■	403	■	458	Mattel/El Segundo, CA	1,471	91.2	930	1,219	141.4	11.8
368	286	466	■	Maxxam/Houston, TX	2,361	144.4	3,028	396	244.4	11.2
84	83	216	98	May Dept Stores/St Louis, MO	10,066	500.0	8,295	6,065	794.0	115.5
282	378	■	379	Maytag/Newton, IA	3,057	98.9	2,587	1,547	185.0	25.1
■	320	■	437	MBIA/Armonk, NY	224	126.6	2,024	1,283	134.2	0.2
■	118	209	149	McCaw Cellular/Kirkland, WA	1,037	371.4	8,714	4,346	624.3	5.7
■	484	■	390	McCormick & Co/Hunt Valley, MD	1,323	69.4	947	1,478	106.0	7.5

■Not on 500 list. 5Formerly Louisville Gas & Electric.

Where they rank: 1990 Sales	Net profits	Assets	Market value	Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
135	45	168	42	McDonald's/Oak Brook, IL	6,640	302.3	10,668	12,077	1,295.6	177.0
37	147	110	401	McDonnell Douglas/St Louis, MO	16,255	306.0	14,965	1,423	887.0	124.6
420	249	■	223	McGraw-Hill/New York, NY	1,939	172.5	2,534	2,813	239.3	13.8
117	152	218	88	MCI Communications/Washington, DC	7,680	299.0	8,249	6,572	1,042.0	21.9
103	389	■	449	McKesson/San Francisco, CA	8,337	96.4	2,421	1,246	175.0	14.3
197	■	387	360	Mead/Dayton, OH	4,772	31.6	3,889	1,668	279.1	21.7
■	■	■	249	Medco Containment/Fair Lawn, NJ	1,162	40.8	605	2,544	54.2	3.2
■	323	■	190	Medtronic/Minneapolis, MN	311	124.2	973	3,331	164.3	6.5
263	247	61	484	Mellon Bank/Pittsburgh, PA	3,403	174.0	28,762	1,143	291.0	16.5
99	113	406	126	Melville/Rye, NY	8,687	385.3	3,662	5,147	509.4	110.1
■	■	232	■	Mercantile Bancorp/St Louis, MO	757	56.7	7,617	452	73.8	4.4
■	491	327	■	Mercantile Bkshs/Baltimore, MD	495	68.9	4,886	698	75.6	2.7
367	324	■	403	Mercantile Stores/Fairfield, OH	2,367	123.6	1,599	1,409	186.8	23.5
■	■	286	■	Merchants National/Indianapolis, IN	568	15.7	5,818	265	26.4	3.3
119	10	221	6	Merck/Rahway, NJ	7,672	1,781.2	8,030	40,150	2,035.2	35.7
■	■	145	■	Meridian Bancorp/Reading, PA	1,272	22.5	11,866	604	54.4	5.8
■	■	262	■	Meritor Savings Bank/Philadelphia, PA	792	–208.6	6,520	35	–180.5	2.3
71	223	17	191	Merrill Lynch/New York, NY	11,213	191.9	68,130	3,310	478.6	40.0
352	■	■	■	Fred Meyer/Portland, OR	2,476	33.6	905	354	74.6	21.4
■	■	161	■	Michigan National/Farmington Hills, MI	1,238	48.0	10,956	292	93.8	6.0
■	127	■	47	Microsoft/Redmond, WA	1,478	355.6	1,366	10,837	410.0	4.8
350	■	79	■	Midlantic/Edison, NJ	2,495	–195.0	23,586	272	–136.5	11.2
■	■	■	483	Millipore/Bedford, MA	703	27.8	734	1,145	56.5	6.0
50	22	156	25	Minn Mining & Mfg/St Paul, MN	13,021	1,308.0	11,079	19,180	2,157.0	88.6
■	461	■	■	Minnesota Power & Lt/Duluth, MN	477	74.6	1,519	856	110.3	2.3
273	■	68	■	MNC Financial/Baltimore, MD	3,217	–439.5	26,376	347	–368.2	12.6
6	8	36	16	Mobil/Fairfax, VA	57,819	1,929.0	41,665	25,821	4,611.0	67.6
■	■	■	404	Molex/Lisle, IL	649	65.9	669	1,408	122.6	6.5
■	■	283	■	Monarch Capital/Springfield, MA	430	–99.6	6,020	16	–89.3	1.6
95	73	195	84	Monsanto/St Louis, MO	8,995	546.0	9,236	6,984	1,285.0	41.6
■	394	■	490	Montana Power/Butte, MT	842	95.0	1,985	1,109	155.0	3.7
78	48	11	67	JP Morgan & Co/New York, NY	10,465	775.0	93,103	8,354	775.0	13.6
159	170	25	215	Morgan Stanley/New York, NY	5,870	270.4	53,526	2,874	317.5	6.9
476	■	■	■	Morrison Knudsen/Boise, ID	1,653	34.5	931	666	67.9	12.7
441	295	■	289	Morton International/Chicago, IL	1,799	139.2	1,891	2,172	227.3	9.1
74	84	207	75	Motorola/Schaumburg, IL	10,885	499.0	8,742	7,541	1,289.0	104.5
■	■	471	■	Multibank Financial/Dedham, MA	321	–21.3	2,993	61	–17.1	1.6
411	372	■	433	Murphy Oil/El Dorado, AR	2,013	101.9	2,137	1,297	320.6	4.3
■	309	■	265	Nalco Chemical/Naperville, IL	1,212	131.1	1,037	2,355	184.0	5.7
364	■	■	■	Nash Finch/St Louis Park, MN	2,369	17.8	416	209	43.4	11.1
328	185	77	309	National City/Cleveland, OH	2,682	233.5	23,743	2,024	307.4	15.5
■	■	376	■	Natl Community Bks/Maywood, NJ	392	2.4	4,056	209	11.3	2.1
■	433	■	365	National Health Labs/La Jolla, CA	502	82.6	37	1,610	101.0	4.9
324	■	■	■	National Intergroup/Pittsburgh, PA	2,710	–282.0	1,088	346	–261.4	5.3
238	176	386	169	National Medical/Santa Monica, CA	3,742	259.2	3,919	3,732	449.8	45.3
462	■	■	■	Natl Semiconductor/Santa Clara, CA	1,713	–152.3	1,176	737	31.1	32.5
478	401	■	439	National Service/Atlanta, GA	1,643	92.5	961	1,271	138.8	21.3

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Where they rank: 1990 Sales	Net profits	Assets	Market value	Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
233	■	429	■	**Navistar Intl**/Chicago, IL	3,810	–31.2	3,418	1,000	35.8	14.1
327	169	66	222	**NBD Bancorp**/Detroit, MI	2,588	274.8	26,747	2,827	328.9	12.5
134	121	18	205	**NCNB**/Charlotte, NC	6,582	365.7	65,285	3,034	526.8	27.7
146	119	346	92	**NCR**/Dayton, OH	6,285	369.0	4,547	5,336	694.0	55.5
436	175	354	352	**New England Electric**/Westborough, MA	1,855	262.1	4,408	1,714	524.0	5.6
■	262	338	362	**NY State E&G**/Ithaca, NY	1,497	158.0	4,736	1,616	305.7	4.6
446	■	■	356	**New York Times**/New York, NY	1,777	64.8	2,150	1,691	191.1	10.5
■	373	■	331	**Newell Co**/Freeport, IL	1,073	101.4	871	1,840	139.7	10.6
■	131	■	257	**Newmont Mining**/Denver, CO	683	342.6	951	2,437	427.3	2.8
277	432	228	316	**Niagara Mohawk Power**/Syracuse, NY	3,155	82.9	7,770	1,957	331.6	11.7
494	349	■	469	**Nicor**/Naperville, IL	1,536	113.5	2,180	1,188	225.4	3.7
303	155	■	188	**NIKE**/Beaverton, OR	2,894	295.6	1,742	3,378	324.0	4.3
498	299	409	414	**Nipsco Industries**/Hammond, IN	1,521	136.0	3,625	1,365	308.7	4.7
302	343	■	228	**Nordstrom**/Seattle, WA	2,894	115.8	1,903	2,738	201.4	29.0
202	71	173	86	**Norfolk Southern**/Norfolk, VA	4,617	556.1	10,523	5,792	929.1	32.0
■	■	439	■	**Northeast Bancorp**/Shelton, CT	343	–58.8	3,325	82	–50.8	1.8
■	■	323	■	**Northeast Federal**/Hartford, CT	478	–101.3	4,932	19	–100.9	1.2
337	204	258	279	**Northeast Utilities**/Hartford, CT	2,616	211.0	6,601	2,234	536.4	8.3
404	219	333	282	**No States Power**/Minneapolis, MN	2,065	195.5	4,762	2,213	489.5	7.5
■	344	147	454	**Northern Trust**/Chicago, IL	1,323	115.4	11,789	1,226	142.2	5.8
173	205	459	421	**Northrop**/Los Angeles, CA	5,490	210.4	3,094	1,354	397.1	39.6
255	165	55	254	**Norwest**/Minneapolis, MN	3,482	280.6	30,626	2,468	375.3	18.2
■	357	■	179	**Novell**/Provo, UT	526	109.7	539	3,482	132.6	2.3
■	458	■	361	**Nucor**/Charlotte, NC	1,482	75.1	1,038	1,652	160.0	5.5
■	■	214	■	**NWNL**/Minneapolis, MN	1,332	49.7	8,474	371	58.8	3.0
46	36	67	37	**Nynex**/New York, NY	13,592	945.4	26,651	14,407	3,286.7	94.6
22	■	90	114	**Occidental Petroleum**/Los Angeles, CA	21,694	–1,688.0	19,743	5,483	–637.0	54.5
490	■	500	■	**Ogden**/New York, NY	1,563	55.9	2,693	825	113.5	42.5
479	425	446	■	**Ohio Casualty**/Hamilton, OH	1,638	84.1	3,253	779	92.8	5.2
383	164	225	224	**Ohio Edison**/Akron, OH	2,226	281.7	7,842	2,804	585.6	6.8
■	296	■	370	**Oklahoma G&E**/Oklahoma City, OK	1,231	139.2	2,523	1,587	243.1	3.8
■	414	219	■	**Old Kent Financial**/Grand Rapids, MI	870	87.5	8,205	659	102.0	4.6
■	367	439	■	**Old Republic Intl**/Chicago, IL	1,243	104.7	3,329	596	104.7	4.9
■	■	403	■	**Old Stone**/Providence, RI	405	2.9	3,673	69	15.4	2.1
339	426	■	■	**Olin**/Stamford, CT	2,592	84.0	1,866	815	207.0	15.3
■	■	■	463	**Oracle Systems**/Redwood City, CA	1,059	57.4	855	1,203	115.7	5.5
419	197	308	214	**Oryx Energy**/Dallas, TX	1,940	225.0	5,252	2,918	711.0	2.8
278	459	■	■	**Owens-Corning**/Toledo, OH	3,111	75.0	1,807	1,010	246.0	18.4
310	■	477	418	**Paccar**/Bellevue, WA	2,778	63.7	2,906	1,361	115.5	12.3
130	■	237	243	**Pacific Enterprises**/Los Angeles, CA	6,923	–43.0	7,291	2,607	331.0	43.1
90	33	85	48	**Pacific G&E**/San Francisco, CA	9,470	987.2	21,958	10,833	2,085.0	26.2
89	32	87	30	**Pacific Telesis**/San Francisco, CA	9,716	1,030.0	21,581	16,877	2,945.0	67.1
235	93	133	106	**PacifiCorp**/Portland, OR	3,783	473.9	12,372	5,697	1,105.5	16.0
294	■	97	■	**PaineWebber Group**/New York, NY	2,979	–57.4	18,151	539	–24.2	12.8
■	481	■	328	**Pall**/Glen Cove, NY	611	70.5	769	1,850	100.3	6.3
229	■	■	■	**Pan Am**/New York, NY	3,918	–447.0	2,312	156	–219.6	26.1
293	■	281	430	**Panhandle Eastern**/Houston, TX	2,988	–218.2	5,069	1,319	27.1	6.0

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227	188	268	144	Paramount Commun/New York, NY	3,922	230.6	6,404	4,574	1,264.7	12.1
347	363	■	468	Parker Hannifin/Cleveland, OH	2,518	106.1	1,986	1,190	208.4	31.0
398	382	417	442	Penn Central/Cincinnati, OH	2,154	97.8	3,547	1,259	163.3	16.1
304	■	■	■	Penn Traffic/Johnstown, PA	2,867	–32.0	1,202	107	28.1	23.5
36	64	134	99	JC Penney/Dallas, TX	16,365	577.0	12,325	6,018	876.0	197.0
362	130	229	192	Pennsylvania P&L/Allentown, PA	2,389	343.9	7,735	3,301	677.3	8.1
390	398	307	213	Pennzoil/Houston, TX	2,180	93.8	5,261	2,924	278.4	11.2
■	■	245	■	People's Bank/Bridgeport, CT	697	–84.7	6,926	139	–65.9	2.5
35	31	102	15	PepsiCo/Purchase, NY	17,803	1,076.9	17,143	25,930	1,960.9	287.0
■	■	340	■	Perpetual Financial/Vienna, VA	511	–146.8	4,656	23	–139.5	1.6
142	46	200	29	Pfizer/New York, NY	6,406	801.2	9,052	17,175	1,026.0	42.3
332	99	484	272	Phelps Dodge/Phoenix, AZ	2,636	454.9	2,827	2,269	587.9	13.7
414	■	358	■	PHH/Hunt Valley, MD	1,989	35.8	4,309	462	658.6	4.3
241	365	132	153	Philadelphia Elec/Philadelphia, PA	3,705	105.8	12,566	4,205	557.8	11.1
8	4	31	2	Philip Morris Cos/New York, NY	44,323	3,540.0	46,569	64,357	4,907.0	161.6
45	75	138	77	Phillips Petroleum/Bartlesville, OK	13,603	541.0	12,130	7,438	1,349.0	22.1
■	■	383	■	PHM/Bloomfield Hills, MI	1,152	29.7	3,993	332	29.7	1.8
486	385	244	■	Pinnacle West/Phoenix, AZ	1,597	97.3	7,011	934	359.9	8.4
■	■	■	412	Pioneer Hi-Bred Intl/Des Moines, IA	968	66.9	1,239	1,372	123.8	4.3
276	203	282	161	Pitney Bowes/Stamford, CT	3,196	213.3	6,061	3,866	433.9	30.7
437	■	■	■	Pittston/Greenwich, CT	1,850	46.2	1,120	670	100.0	14.9
192	477	33	219	PNC Financial/Pittsburgh, PA	4,880	70.9	45,533	2,843	145.2	18.1
417	272	■	460	Polaroid/Cambridge, MA	1,972	151.0	1,701	1,214	238.2	11.6
■	376	■	■	Portland General/Portland, OR	852	100.0	2,632	831	203.1	3.5
■	380	■	■	Potlatch/San Francisco, CA	1,253	98.6	1,708	902	184.8	7.6
■	252	309	296	Potomac Electric/Washington, DC	1,412	170.2	5,240	2,108	294.1	5.2
157	92	278	129	PPG Industries/Pittsburgh, PA	6,021	474.8	6,108	5,054	819.6	35.3
320	■	■	■	Premark Intl/Deerfield, IL	2,721	52.0	2,034	451	153.2	25.4
■	■	384	■	Premier Bancorp/Baton Rouge, LA	397	7.3	3,940	111	32.6	2.6
■	452	■	385	Premier Industrial/Cleveland, OH	639	76.6	336	1,493	83.7	5.2
168	318	■	288	Price Co/San Diego, CA	5,632	128.1	1,506	2,173	160.8	12.9
150	117	91	198	Primerica/New York, NY	6,194	372.9	19,689	3,154	497.0	23.5
19	12	88	11	Procter & Gamble/Cincinnati, OH	25,848	1,733.0	20,607	28,523	2,655.0	84.1
■	400	499	436	Progressive/Mayfield Heights, OH	1,376	93.4	2,695	1,291	111.3	6.2
316	241	123	■	Provident Life & Acc/Chattanooga, TN	2,751	179.1	13,522	1,052	218.4	5.6
■	333	■	■	PSI Resources/Plainfield, IN	998	119.4	2,041	946	222.1	4.1
456	282	449	448	Public Service Colo/Denver, CO	1,734	146.1	3,230	1,250	259.6	6.6
195	74	115	102	Pub Svc Enterprise/Newark, NJ	4,800	542.3	14,023	5,900	1,192.8	13.2
■	■	341	■	Puget Sound Bancorp/Tacoma, WA	487	46.2	4,590	351	54.9	2.7
■	304	■	465	Puget Sound P&L/Bellevue, WA	935	132.3	2,588	1,202	243.6	2.5
180	193	461	148	Quaker Oats/Chicago, IL	5,296	227.4	3,087	4,352	397.8	30.0
335	■	450	■	Quantum Chemical/New York, NY	2,618	21.2	3,222	426	181.6	9.8
125	107	348	93	Ralston Purina/St Louis, MO	7,177	401.3	4,519	6,256	642.4	56.2
92	70	277	120	Raytheon/Lexington, MA	9,268	557.3	6,119	5,294	860.8	77.2
387	228	■	167	Reader's Digest Assn/Pleasantville, NY	2,203	189.8	1,707	3,747	242.5	7.4
395	244	■	241	Reebok International/Stoughton, MA	2,159	176.6	1,403	2,611	212.4	3.1
242	337	159	■	Reliance Group/New York, NY	3,684	118.1	11,011	457	118.1	9.1

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311	216	58	320	Republic New York/New York, NY	2,772	201.2	29,597	1,892	215.3	4.1
156	154	261	180	Reynolds Metals/Richmond, VA	6,022	296.6	6,527	3,481	510.8	30.8
301	■	375	108	Rhone-Poulenc Rorer6/Fort Washington, PA	2,917	1.0	4,085	5,619	145.7	16.0
■	■	243	■	Riggs National/Washington, DC	728	–61.2	7,051	145	–45.4	2.4
264	368	■	339	Rite Aid/Harrisburg, PA	3,373	103.3	1,674	1,805	195.0	30.0
43	■	48	55	RJR Nabisco/New York, NY	13,879	–462.0	32,915	9,424	588.0	55.0
296	334	■	330	Roadway Services/Akron, OH	2,971	119.1	1,341	1,843	270.8	35.3
■	■	357	■	Rochester Community/Rochester, NY	449	7.9	4,316	112	18.9	1.6
55	57	188	90	Rockwell Intl/El Segundo, CA	12,432	620.0	9,562	6,379	1,242.7	105.3
308	210	498	200	Rohm & Haas/Philadelphia, PA	2,824	206.8	2,702	3,071	366.1	13.0
497	■	■	■	Rose's Stores/Henderson, NC	1,525	–27.8	454	68	–9.0	21.5
495	288	■	156	Rubbermaid/Wooster, OH	1,534	143.5	1,114	3,960	198.9	8.7
■	498	■	■	Russell/Alexander City, AL	714	67.9	795	970	120.5	13.8
188	■	298	441	Ryder System/Miami, FL	5,162	42.7	5,502	1,262	658.8	41.3
■	■	388	■	Ryland Group/Columbia, MD	1,313	21.8	3,860	242	41.7	2.4
287	167	170	264	Safeco/Seattle, WA	3,043	278.4	10,553	2,377	312.1	8.6
■	■	■	332	Safety-Kleen/Elgin, IL	589	55.2	719	1,829	101.5	5.5
39	416	337	398	Safeway/Oakland, CA	14,874	87.1	4,739	1,447	363.3	112.3
■	■	■	294	St Jude Medical/Saint Paul, MN	175	64.7	278	2,117	69.0	0.5
■	■	431	■	St Paul Bancorp/Chicago, IL	339	–5.5	3,417	141	–1.8	1.0
221	112	137	217	St Paul Cos/St Paul, MN	4,005	391.3	12,204	2,861	457.8	12.2
96	150	8	207	Salomon/New York, NY	8,946	303.0	109,877	3,004	384.0	8.9
448	209	407	250	San Diego G&E/San Diego, CA	1,772	207.8	3,657	2,518	393.7	4.2
378	■	314	446	Santa Fe Pacific/Schaumburg, IL	2,297	–101.2	5,066	1,254	95.1	17.6
59	82	227	61	Sara Lee/Chicago, IL	12,184	500.3	7,780	9,012	877.6	104.8
■	238	486	394	Scana/Columbia, SC	1,133	181.6	3,145	1,472	302.0	4.4
124	47	99	64	SCEcorp/Rosemead, CA	7,199	786.4	17,477	8,549	1,670.6	17.0
267	67	374	49	Schering-Plough/Madison, NJ	3,323	565.1	4,103	10,774	687.0	20.5
■	■	367	■	Charles Schwab/San Francisco, CA	626	16.8	4,188	468	65.9	2.9
176	280	249	216	Scott Paper/Philadelphia, PA	5,356	148.0	6,901	2,872	493.9	30.1
■	■	■	392	EW Scripps/Cincinnati, OH	1,297	48.0	1,521	1,472	201.4	10.0
330	377	■	■	Seagate Technology/Scotts Valley, CA	2,668	99.7	1,846	898	264.3	35.8
7	37	10	45	Sears, Roebuck/Chicago, IL	55,972	902.0	96,253	11,195	1,608.6	480.0
■	■	492	■	Security Bancorp/Southgate, MI	320	30.3	2,759	202	35.9	2.3
79	259	15	211	Security Pacific/Los Angeles, CA	10,327	161.3	84,731	2,946	296.3	40.9
384	■	■	■	Sequa/New York, NY	2,211	32.7	2,517	563	127.0	18.1
■	■	■	482	Service Corp Intl/Houston, TX	563	63.5	1,655	1,147	90.7	9.8
260	■	■	■	Service Merchandise/Nashville, TN	3,435	60.7	1,653	509	131.6	21.5
■	■	433	■	SFFed Corp/San Francisco, CA	367	2.0	3,366	72	7.0	0.8
474	■	■	■	Shaw Industries/Dalton, GA	1,659	59.5	791	690	115.4	12.7
318	■	78	■	Shawmut National/Hartford, CT	2,741	–133.0	23,703	433	–79.3	12.0
381	326	■	321	Sherwin-Williams/Cleveland, OH	2,267	122.7	1,504	1,891	174.2	16.6
■	474	■	354	Sigma-Aldrich/St Louis, MO	529	71.2	525	1,712	92.3	4.0
■	■	151	■	Signet Banking/Richmond, VA	1,431	41.4	11,405	338	71.3	6.4
408	■	■	■	Smith's Food & Drug/Salt Lake City, UT	2,031	34.3	892	995	74.9	15.2
■	375	■	434	Snap-on Tools/Kenosha, WI	932	100.8	908	1,295	125.1	7.5
459	267	108	455	Society/Cleveland, OH	1,719	155.2	15,110	1,226	198.3	9.0

■Not on 500 list. 6Formerly Rorer Group.

Where they rank: 1990 Sales	Net profits	Assets	Market value	Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
■	■	390	■	Society for Savings/Hartford, CT	476	-52.4	3,829	80	-47.1	0.8
■	355	451	322	Sonat/Birmingham, AL	1,509	110.7	3,196	1,886	310.4	5.2
472	■	■	374	Sonoco Products/Hartsville, SC	1,669	50.4	1,113	1,572	122.5	14.8
■	315	■	■	Sotheby's Holdings/New York, NY	465	128.5	652	736	142.1	1.6
■	■	242	■	South Carolina Natl/Columbia, SC	696	49.9	7,051	425	70.8	3.9
482	■	124	■	Southeast Banking/Miami, FL	1,617	-199.2	13,390	195	-169.2	8.2
110	62	81	62	Southern Co/Atlanta, GA	7,975	604.0	22,866	8,838	1,589.0	30.4
■	■	437	■	Southern Natl/Lumberton, NC	358	22.9	3,342	249	30.0	2.2
481	306	428	303	So N England Telecom/New Haven, CT	1,619	132.1	3,431	2,060	385.0	12.5
■	483	201	■	SouthTrust/Birmingham, AL	868	69.7	9,006	506	86.3	4.6
■	■	392	■	Southwest Gas/Las Vegas, NV	863	37.2	3,764	328	88.8	2.2
93	30	83	33	Southwestern Bell/St Louis, MO	9,113	1,101.4	22,195	16,232	2,792.6	66.5
■	356	■	476	Southwestern Pub Svc/Amarillo, TX	742	110.1	1,638	1,171	166.3	2.2
413	■	■	■	Spiegel/Oak Brook, IL	1,993	61.5	1,744	844	94.3	11.2
429	■	■	■	Springs Industries/Fort Mill, SC	1,878	-6.8	1,201	453	74.6	22.8
475	328	■	337	Square D/Palatine, IL	1,653	120.7	1,460	1,823	180.0	19.0
■	■	192	■	Standard Fedl Bank/Troy, MI	911	40.1	9,297	295	60.4	2.3
415	362	■	396	Stanley Works/New Britain, CT	1,977	106.6	1,494	1,457	180.9	17.8
■	■	271	■	Star Banc/Cincinnati, OH	663	64.9	6,295	614	82.8	3.6
■	340	148	353	State Street Boston/Boston, MA	1,320	117.3	11,651	1,714	151.0	7.9
162	392	256	■	Stone Container/Chicago, IL	5,756	95.4	6,690	795	352.4	32.3
■	480	■	■	Storage Technology/Louisville, CO	1,141	70.6	1,048	996	180.5	9.2
248	151	37	141	Student Loan/Washington, DC	3,619	300.9	41,124	4,584	300.9	2.3
■	■	330	■	Sumitomo Bank Calif/San Francisco, CA	500	44.9	4,795	218	51.7	1.7
■	■	397	■	Summit Bancorp/Chatham, NJ	384	-12.8	3,718	223	-6.3	1.8
61	217	202	178	Sun Co/Radnor, PA	11,812	199.0	9,000	3,504	684.0	21.3
314	273	■	206	Sun Microsystems/Mountain View, CA	2,763	151.0	2,180	3,028	399.3	10.8
483	346	■	491	Sundstrand/Rockford, IL	1,500	114.3	1,582	1,108	169.6	13.1
261	129	47	182	SunTrust Banks/Atlanta, GA	3,408	350.4	33,411	3,455	435.5	19.9
■	■	442	■	Sunwest Financial/Albuquerque, NM	328	-1.8	3,294	123	6.8	2.3
444	■	■	■	Super Food Services/Dayton, OH	1,792	16.9	326	175	24.1	2.2
65	271	479	302	Super Valu Stores/Minneapolis, MN	11,515	151.4	2,874	2,068	293.4	40.4
113	283	■	194	Sysco/Houston, TX	7,863	145.2	2,146	3,257	233.9	19.2
■	■	285	■	Talman Home Federal/Chicago, IL	534	13.2	5,888	41	42.5	1.8
■	383	■	299	Tambrands/Lake Success, NY	632	97.8	381	2,094	111.0	4.3
430	381	■	424	Tandem Computers/Cupertino, CA	1,873	98.1	1,882	1,332	231.8	10.2
201	174	420	258	Tandy/Fort Worth, TX	4,548	263.3	3,514	2,420	359.8	3.9
■	■	368	■	TCF Financial/Minneapolis, MN	471	-20.7	4,186	98	7.3	2.4
■	294	■	324	TECO Energy/Tampa, FL	1,097	139.4	2,513	1,876	260.4	4.5
253	■	135	115	Tele-Communications/Denver, CO	3,511	-213.1	12,277	5,386	428.9	33.5
258	486	■	459	Teledyne/Los Angeles, CA	3,446	69.2	1,666	1,219	159.8	34.2
360	186	226	310	Temple-Inland/Diboll, TX	2,401	232.5	7,834	2,020	377.0	12.9
41	69	93	116	Tenneco/Houston, TX	14,511	561.0	19,034	5,367	1,037.0	91.0
9	16	70	31	Texaco/White Plains, NY	40,899	1,450.0	25,975	16,588	3,108.0	38.1
137	■	315	201	Texas Instruments/Dallas, TX	6,567	-39.0	5,048	3,067	502.0	72.1
206	40	95	80	Texas Utilities/Dallas, TX	4,543	850.8	18,651	7,215	1,215.7	15.2
112	163	111	236	Textron/Providence, RI	7,918	283.0	14,892	2,651	503.0	56.0

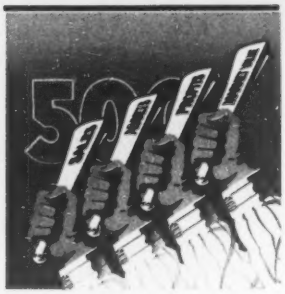
■Not on 500 list.

Where they rank: 1990				Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
Sales	Net profits	Assets	Market value							
64	■	71	100	**Time Warner**/New York, NY	11,517	–227.0	25,337	5,980	911.0	38.1
247	240	365	171	**Times Mirror**/Los Angeles, CA	3,621	180.5	4,193	3,694	425.6	29.1
463	■	■	■	**Timken**/Canton, OH	1,701	55.2	1,815	734	156.5	18.1
356	462	■	488	**TJX Cos**/Framingham, MA	2,446	74.1	1,047	1,117	122.6	25.0
442	190	296	226	**Torchmark**/Birmingham, AL	1,796	229.2	5,536	2,762	249.2	6.0
397	325	■	■	**Tosco**/Stamford, CT	2,158	123.2	949	642	169.5	1.7
172	138	412	76	**Toys 'R' Us**/Paramus, NJ	5,510	326.0	3,582	7,454	405.1	38.0
133	172	53	230	**Transamerica**/San Francisco, CA	6,703	266.3	31,784	2,703	430.2	16.9
279	■	345	■	**Transco Energy**/Houston, TX	3,081	41.2	4,549	954	249.6	5.5
68	■	24	267	**Travelers**/Hartford, CT	11,314	–178.0	55,356	2,345	–122.8	34.5
370	■	470	239	**Tribune**/Chicago, IL	2,353	–63.5	3,001	2,645	77.4	16.6
418	■	■	■	**Trinova**/Maumee, OH	1,955	45.5	1,314	649	116.7	20.5
■	■	400	■	**Trustmark**/Jackson, MS	341	29.1	3,790	187	40.1	2.0
107	208	294	269	**TRW**/Cleveland, OH	8,169	208.0	5,555	2,340	660.0	75.0
■	■	■	312	**Turner Broadcasting**/Atlanta, GA	1,391	–15.6	2,153	1,977	128.1	3.6
272	■	■	■	**Turner Corp**/New York, NY	3,258	–10.8	782	70	0.1	3.1
244	■	423	■	**TW Holdings**/Spartanburg, SC	3,682	–67.8	3,496	433	142.1	109.0
■	379	■	■	**20th Century Inds**/Woodland Hills, CA	800	98.7	1,236	925	103.7	1.8
333	312	■	273	**Tyco Laboratories**/Exeter, NH	2,633	130.0	2,470	2,259	204.2	14.3
231	321	■	246	**Tyson Foods**/Springdale, AR	3,826	125.9	2,551	2,588	257.3	43.0
72	396	222	199	**UAL**/Chicago, IL	11,037	94.5	7,994	3,080	654.1	74.0
■	■	130	■	**UJB Financial**/Princeton, NJ	1,305	–5.6	12,818	485	11.4	6.4
469	281	105	■	**Union Bank**/San Francisco, CA	1,686	146.5	16,313	757	170.5	7.3
305	189	355	229	**Union Camp**/Wayne, NJ	2,840	229.6	4,400	2,715	460.0	19.9
122	146	208	281	**Union Carbide**/Danbury, CT	7,621	308.0	8,733	2,216	784.0	37.7
409	157	289	203	**Union Electric**/St Louis, MO	2,023	294.2	5,702	3,051	578.5	7.1
127	59	128	82	**Union Pacific**/Bethlehem, PA	6,964	618.0	13,078	7,187	1,315.0	48.3
■	■	382	■	**Union Planters**/Memphis, TN	427	22.7	4,005	164	36.9	2.5
■	342	■	406	**Union Texas Petrol**/Houston, TX	1,283	116.0	2,102	1,403	302.2	1.9
83	■	179	■	**Unisys**/Blue Bell, PA	10,111	–436.7	10,289	870	315.5	78.8
■	■	377	335	**UA Entertainment**/Englewood, CO	1,426	–94.6	4,039	1,826	133.8	20.5
■	■	362	■	**United Missouri Bcsh**/Kansas City, MO	407	37.2	4,272	362	50.3	2.8
424	235	98	366	**US Bancorp**/Portland, OR	1,920	182.7	17,613	1,609	194.5	9.8
■	446	■	268	**US Healthcare**/Blue Bell, PA	1,297	77.5	613	2,342	85.6	1.9
312	■	■	■	**US Shoe**/Cincinnati, OH	2,771	51.7	1,266	536	127.5	49.0
■	■	■	247	**US Surgical**/Norwalk, CT	514	46.0	461	2,564	71.8	3.9
■	■	489	■	**US Trust**/New York, NY	394	11.7	2,778	329	25.8	2.1
23	51	107	107	**United Technologies**/Hartford, CT	21,442	750.6	15,918	5,694	1,450.5	197.0
102	144	171	125	**United Telecom**/Kansas City, MO	8,345	308.7	10,553	5,158	1,391.9	42.2
■	305	366	305	**Unitrin**/Chicago, IL	1,225	132.2	4,192	2,048	132.2	8.2
289	■	■	■	**Universal**/Richmond, VA	3,004	34.3	1,626	475	61.4	20.0
73	108	184	96	**Unocal**/Los Angeles, CA	10,945	401.0	9,774	6,188	1,425.0	17.4
392	231	189	314	**UNUM**/Portland, ME	2,170	185.2	9,514	1,964	185.2	4.8
288	97	405	70	**Upjohn**/Kalamazoo, MI	3,033	455.7	3,668	8,270	580.0	19.0
87	26	65	36	**US West**/Englewood, CO	9,957	1,198.9	27,050	15,408	3,043.8	68.0
138	■	259	■	**USAir Group**/Arlington, VA	6,559	–454.4	6,574	884	–167.4	51.8
207	■	118	■	**USF&G**/Baltimore, MD	4,535	–569.4	13,911	799	–490.2	12.6

■Not on 500 list.

Where they rank: 1990 Sales	Net profits	Assets	Market value	Company/headquarters	Sales ($mil)	Net profits ($mil)	Assets ($mil)	Market value ($mil)	Cash flow ($mil)	Number employees (thou)
425	■	■	■	USG/Chicago, IL	1,915	-90.0	1,675	138	-14.0	12.7
■	493	343	■	USLife/New York, NY	1,236	68.6	4,573	578	79.6	2.1
■	198	■	140	UST Inc/Greenwich, CT	751	223.3	623	4,632	242.9	3.6
27	43	101	74	USX/Pittsburgh, PA	19,326	818.0	17,268	7,699	2,122.0	51.5
■	395	■	■	Valero Energy/San Antonio, TX	1,169	94.7	1,254	876	130.3	1.8
471	464	447	498	Valhi/Dallas, TX	1,671	73.7	3,243	1,077	159.4	11.8
■	■	416	■	Valley Bancorp/Appleton, WI	347	29.0	3,551	256	40.0	2.5
■	■	495	■	Valley Federal S&L/Van Nuys, CA	309	-43.2	2,721	6	-29.9	0.7
■	■	172	■	Valley National/Phoenix, AZ	1,142	7.5	10,551	368	34.0	7.4
338	435	■	413	VF/Reading, PA	2,613	81.1	1,853	1,368	179.0	42.4
484	■	380	231	Viacom/New York, NY	1,600	-89.8	4,028	2,682	47.6	5.0
177	■	■	475	Vons Cos/Los Angeles, CA	5,334	49.7	1,713	1,172	123.5	34.5
■	331	■	432	Vulcan Materials/Birmingham, AL	1,105	120.3	1,118	1,300	220.4	6.6
359	■	■	■	Waban/Natick, MA	2,410	18.4	580	415	36.5	12.8
14	23	152	5	Wal-Mart Stores/Bentonville, AR	32,742	1,291.0	11,389	42,413	1,637.6	299.0
149	243	■	155	Walgreen/Deerfield, IL	6,201	178.1	2,022	4,139	250.2	47.8
365	■	■	■	Wang Laboratories/Lowell, MA	2,369	-665.4	1,750	710	-475.8	23.0
199	87	444	53	Warner-Lambert/Morris Plains, NJ	4,687	484.9	3,261	9,807	604.6	34.4
■	■	247	■	Washington Mutual/Seattle, WA	727	0.9	6,922	296	6.7	2.0
■	246	■	234	Washington Post/Washington, DC	1,439	174.6	1,497	2,669	269.3	6.2
■	413	■	■	Washington Water/Spokane, WA	554	87.6	1,406	691	139.9	2.2
155	53	174	26	Waste Management/Oak Brook, IL	6,034	709.3	10,518	18,388	1,210.6	52.0
■	418	■	426	Weis Markets/Sunbury, PA	1,272	86.8	694	1,331	110.0	14.9
160	52	23	173	Wells Fargo/San Francisco, CA	5,843	711.5	56,199	3,646	886.8	20.7
■	■	342	■	West One Bancorp/Boise, ID	465	42.6	4,587	353	55.1	3.1
■	■	494	■	Western Capital Inv/Denver, CO	285	-76.2	2,723	30	-73.7	1.2
52	171	84	69	Westinghouse/Pittsburgh, PA	12,915	-268.0	22,033	8,306	631.0	115.8
361	261	441	323	Westvaco/New York, NY	2,399	158.4	3,309	1,883	331.8	15.0
170	■	■	■	Wetterau/Hazelwood, MO	5,588	50.1	1,200	604	94.7	14.7
94	111	104	143	Weyerhaeuser/Tacoma, WA	9,024	393.7	16,356	4,575	910.1	42.9
■	402	■	■	Wheeling Pittsburgh/Wheeling, WV	1,091	92.4	1,578	33	142.3	6.3
136	469	292	327	Whirlpool/Benton Harbor, MI	6,623	72.0	5,614	1,858	319.0	37.8
375	■	■	245	Whitman/Chicago, IL	2,305	-31.3	2,196	2,597	53.0	15.1
■	■	480	■	Whitney Holding/New Orleans, LA	236	-17.4	2,872	126	-9.9	1.3
■	419	■	■	Whittaker/Los Angeles, CA	189	86.7	246	109	96.9	1.5
427	313	■	453	Willamette Inds/Portland, OR	1,905	129.6	1,965	1,227	237.2	9.8
438	450	378	438	Williams Cos/Tulsa, OK	1,822	77.0	4,034	1,272	238.4	4.3
■	500	389	■	Wilmington Trust/Wilmington, DE	428	67.0	3,834	713	73.0	1.9
85	260	■	220	Winn-Dixie Stores/Jacksonville, FL	9,963	159.2	1,706	2,835	274.1	97.5
■	229	434	277	Wisconsin Energy/Milwaukee, WI	1,443	186.7	3,361	2,240	331.4	5.7
480	497	■	■	Witco/New York, NY	1,631	68.0	1,179	758	128.1	7.3
88	142	359	158	Woolworth/New York, NY	9,789	317.0	4,305	3,956	551.0	140.0
■	339	■	275	Wm Wrigley Jr/Chicago, IL	1,111	117.4	564	2,252	144.2	5.8
34	179	54	132	Xerox/Stamford, CT	17,973	243.0	31,495	4,934	934.0	110.3
376	■	■	■	Yellow Freight Sys/Overland Park, KS	2,302	65.3	1,116	801	193.5	28.9
■	■	415	■	Zions Bancorporation/Salt Lake City, UT	344	26.6	3,559	217	35.8	2.1

■Not on 500 list.



This scorecard on America's 776 largest corporations lists winners and losers on Wall Street, overpriced and undervalued issues, dividend payouts and analysts' earnings forecasts for the year ahead.

Winners

Company	Stock price % change 12-month	Stock price % change YTD	Stock price recent
US Healthcare	334	70	49⅞
Amgen	292	93	120
US Surgical	273	47	105¼
Biomet	149	48	28
Medco Containment	148	55	46⅞

Losers

Company	Stock price % change 12-month	Stock price % change YTD	Stock price recent
Monarch Capital	–86	325	2⅜
First City Bncp Tex	–85	11	5⅛
HomeFed	–83	0	5
MNC Financial	–80	23	4
Equimark	–80	–11	2

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
Abbott Laboratories/Dec	ABT	n	49	20	49	31	47⅛	48%	139	5%	94	21.2	18.4
Acuson/Dec	ACN	n	38	5	38	22	36⅛	54	145	33	119	27.2	22.6
Adobe Systems/Nov	ADBE	o	54*	3*	54	17	51½	36	128	77	159	28.1	23.6
Aetna Life & Cas/Dec	AET	n	68	29	54	29	44½	–8	87	14	102	8.1	7.3
Affiliated Bkshs Colo/Dec	AFBK	o	18	8	16	8	14¼	33	125	33	119	16.6	13.4
HF Ahmanson/Dec	AHM	n	29	11	23	11	17	0	94	26	113	10.4	7.9
Air Prods & Chems/Sep	APD	n	70	29	70	43	61⅝	25	118	13	101	14.2	14.6
Albertson's/Jan	ABS	n	43	8	43	27	41⅞	54	145	15	103	23.9	21.1
Alco Standard/Sep	ASN	n	38	15	38	28	32⅝	2	97	–2	88	8.8	13.2
Alexander & Alexander/Dec	AAL	n	42	16	29	16	25½	–1	93	10	99	18.9	16.4
Alexander & Baldwin/Dec	ALEX	o	40	16	33	19	25¼	–13	82	13	102	10.1	10.5
Alleghany†/Dec	Y	n	104	57	94	73	93⅛	9	103	12	100	8.9	11.9
Allegheny Ludlum/Dec	ALS	n	34*	10*	34	18	26½	–3	91	13	101	12.8	13.7
Allegheny Power/Dec	AYP	n	54	31	40	34	38⅛	–3	92	3	93	10.6	10.0
Allergan/Dec	AGN	n	26*	12*	23	13	22½	49	140	29	115	18.6	16.2
Allied-Signal/Dec	ALD	n	49	25	38	25	28½	–21	75	6	95	8.5	9.4
Alltel/Dec	AT	n	42	15	40	25	38½	20	113	13	102	16.4	15.1
Alcoa/Dec	AA	n	80	33	71	50	65⅝	0	94	14	102	19.3	10.3
ALZA Corp/Dec	AZA	a	66	16	66	35	61¼	58	149	20	108	NM	53.7
AMAX/Dec	AMX	n	30	11	29	18	25⅜	–1	93	20	108	9.8	9.8
Amdahl/Dec	AMH	a	28	7	19	10	14½	–1	93	3	92	8.7	11.4
Amerada Hess/Dec	AHC	n	56	17	56	43	48	2	96	4	93	8.1	14.9
American Brands/Dec	AMB	n	48	18	48	31	46	43	135	11	100	15.4	11.1
American Capital/Dec	ACC	a	8	⅛	1	⅛	¼	–50	NM	46	NM	NM	NA

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

IT HASN'T BEEN a banner year for most of the 776 companies appearing on at least one of the Forbes 500 lists. On average, their share prices rose barely 4% in the 52 weeks ended Mar. 22, 1991. By comparison, the much broader Investor's Daily 6,000 index rose 6% during the same period. The rally in the first quarter of 1991 was impressive, but it was recovering ground lost last fall.

Seven of the ten companies that enjoyed the greatest percentage increase in their share prices over the past year were health care issues; each one at least doubled in price. U.S. Healthcare, of Blue Bell, Pa., had the best gain, an increase of 334%. Amgen was up 292% and U.S. Surgical posted a 273% gain. In all, there were 54 stocks that were up at least 50% over the last 12 months.

At the other extreme, most of the biggest losses were racked up by financial institutions. Among the worst returns: Monarch Capital and First City Bancorporation of Texas. There were 44 stocks with 12-month declines of 50% or more.

A few rules to keep in mind: This table designates as fiscal 1990 the results of any company whose fiscal year ends between June 1990 and May 1991. Five-year and 12-month price ranges are adjusted for stock splits that have occurred or will take place by this issue's cover date *(Apr. 29)*. Price ranges do not reflect spinoffs or special cash dividends. However, the value of such distributions is included in our stock performance figures.

"Relative to market" compares the performance of each stock with that of the overall market. To receive a relative performance of 100 for the past 12 months, for instance, a stock must have tied the Investor's Daily index with a 6% gain. A stock that beat the Investor's Daily index has a relative performance higher than 100.

On paper, Circle K shows a year-to-date gain of 300% and a relative-to-market performance of 359. But we marked the relative-to-market performance for Circle K as NM, or not meaningful, on the grounds that the troubled convenience store operator's stock jumped from ¼ to 1. For most people, transaction costs would have eaten away much of this investment gain. For any stock with a recent price quotation of $1 or less we made the relative-to-market columns NM.

Where 1990 earnings are not yet available, we substitute an estimate, marked E. Earnings include the results of discontinued operations but exclude extraordinary items and the cumulative effect of accounting changes. All the estimates shown in the table are securities analysts' consensus forecasts. The "confidence factor on estimate" indicates how close in agreement the analysts are. For example, Abbott Laboratories has a "very high" confidence factor, meaning that the 37 analysts who follow the stock are in close agreement that the company will earn $2.56 in 1991. We assign an NM to the confidence factor on a consensus estimate coming from only 1 or 2 analysts.

Most of the stock market data for this table come from William O'Neil & Co. Earnings forecasts are by the Institutional Brokers Estimate System, a service of broker Lynch, Jones & Ryan.

		Earnings					Dividends			
net profit margin	latest 12-month EPS	1990 EPS	estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout	5-year growth rate
15.7%	$2.22	$2.22	$2.56	15%	37	very high	$0.84	1.8%	38%	21%
16.9	1.33	1.33	1.60	20	11	high	none	NA	NA	NA
23.7	1.83	1.83	2.18	19	10	average	0.32	0.6	17	NA
3.2	5.52	5.52	6.08	10	26	average	2.76	6.2	50	6
3.6	0.86	0.86	1.06	23	7	average	none	NA	NA	NA
4.0	1.64	1.64	2.14	30	15	average	0.88	5.2	54	10
8.1	4.34	4.15	4.23	2	23	high	1.44	2.3	33	19
2.8	1.75	1.75	1.99	14	24	high	0.48	1.1	27	24
3.5	3.72	2.56	2.47	–4	13	average	0.88	2.7	24	9
4.1	1.35	1.35	1.56	16	18	average	1.00	3.9	74	0
15.9	2.50	2.50	2.40	–4	3	low	0.88	3.5	35	7
5.0	10.43	10.43	7.84	–25	2	NM	none	NA	NA	NA
6.4	2.07	2.07	1.94	–6	8	low	0.88	3.3	43	89
8.3	3.61	3.61	3.80	5	23	high	3.16	8.3	88	2
9.2	1.21	1.21	1.39	15	17	high	0.32	1.4	26	NA
3.7	3.35	3.35	3.03	–10	16	average	1.80	6.3	54	0
12.3	2.35	2.35	2.55	9	18	high	1.40	3.6	60	11
2.8	3.40	3.40	6.37	87	29	low	1.78	2.7	52	30
24.8	0.70	0.70	1.14	63	17	average	none	NA	NA	NA
6.0	2.58	2.58	2.59	0	21	low	0.80	3.2	31	NM
8.5	1.66	1.66	1.27	–23	20	average	0.10	0.7	6	0
6.9	5.96	5.96	3.22	–46	27	low	0.60	1.2	10	21
7.2	2.99	2.99	4.14	38	24	high	1.54	3.3	52	7
def	–2.71	NA	NA	NA	NA	NA	none	NA	NA	NA

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
American Cyanamid/Dec	ACY	n	62	29	62	42	53⅜	4%	98	2%	91	14.5	13.0
American Electric/Dec	AEP	n	33	23	31	26	28¼	–7	87	1	91	10.7	9.6
American Express/Dec	AXP	n	41	18	32	18	27⅜	3	97	35	121	40.2	10.3
American Family/Dec	AFL	n	25	10	25	12	22⅛	50	141	16	104	15.4	12.5
American General/Dec	AGC	n	51	24	51	24	37⅞	20	113	23	111	8.1	9.4
American Greetings/Feb	AGREA	o	42	13	41	27	39¼	13	106	13	102	14.7	13.0
American Home Prods/Dec	AHP	n	60	31	60	43	56⅜	13	107	7	96	14.4	13.3
American Intl Group/Dec	AIG	n	96	39	96	57	90⅝	21	115	18	106	13.1	12.4
American Medical/Aug	AMI	a	27	3	9	4	5⅝	29	121	0	90	NA	NA
American Natl Ins/Dec	ANAT	o	51	23	38	27	33¼	–3	92	21	109	8.4	9.0
American Petrofina/Dec	APIA	a	91	40	91	71	88½	18	111	9	98	10.9	NA
American President/Dec	APS	n	51	10	27	10	20¼	–18	78	31	117	NM	23.0
American Savings/Dec	ASB	n	23	1	5	1	1⅝	–64	34	18	106	NM	NA
American Stores/Jan	ASC	n	88	42	88	43	84⅞	37	129	55	139	16.1	14.8
American Tel & Tel/Dec	T	n	47	22	44	29	32⅞	–21	75	9	98	13.1	12.4
Ameritech/Dec	AIT	n	70	37	70	53	67⅝	12	106	1	91	14.3	13.5
Ameritrust/Dec	AMTR	o	29	7	21	7	12⅝	–37	60	52	137	NM	8.1
Ames Dept Stores/Jan	ADD	n	35	1	5	1	2½	–49	48	346	401	NM	NA
Amgen/Mar	AMGN	o	131	7	131	29	120	292	369	93	173	NM	48.0
Amoco/Dec	AN	n	60	27	60	47	54¼	4	98	4	93	14.4	14.1
AMP/Dec	AMP	n	72	33	55	38	51⅞	0	94	19	107	19.2	18.3
AMR/Dec	AMR	n	107	27	70	40	55¾	–14	81	15	103	NM	26.4
AmSouth Bancorp/Dec	ASO	n	39	17	26	17	24½	9	103	26	113	7.5	7.3
Anadarko Petroleum/Dec	APC	n	40	18	40	24	28½	–11	84	–3	87	27.4	25.9
Anchor Bancorp/June	ABKR	o	13*	1*	2	1	1¾	7	101	116	194	NM	NA
Anheuser-Busch Cos/Dec	BUD	n	52	22	52	35	50⅝	34	126	18	106	17.1	15.4
Aon/Dec	AOC	n	43	21	41	27	35⅝	1	95	3	92	9.9	9.1
Apple Computer/Sept	AAPL	o	70	13	70	24	63¼	50	141	47	132	15.5	13.6
Archer Daniels/June	ADM	n	26	9	26	19	21¼	2	97	–7	84	13.8	12.5
Argonaut Group/Dec	AGII	o	81*	19*	81	53	81	16	109	27	114	8.3	8.1
Arkla/Dec	ALG	n	28	16	25	18	19	–18	77	–5	85	17.3	13.1
Armco/Dec	AS	n	15	4	11	4	5	–53	44	–3	88	NM	NM
Armstrong World Inds/Dec	ACK	n	51	18	38	18	27⅛	–21	75	9	97	9.3	14.8
Arvin Industries/Dec	ARV	n	40	13	23	13	23	42	133	34	121	16.3	15.0
Asarco/Dec	AR	n	36	10	31	22	28¾	–1	93	6	95	8.0	9.3
Ashland Oil/Sept	ASH	n	43	23	40	26	31⅝	–11	84	16	104	11.8	10.6
Atlantic Energy/Dec	ATE	n	47	29	38	32	35⅜	–2	92	4	94	11.7	10.2
Atlantic Richfield/Dec	ARC	n	142	45	142	111	133⅜	17	110	8	97	13.1	12.3
Autodesk/Jan	ACAD	o	60	8	60	32	48¼	–1	94	–5	85	21.0	17.2
Automatic Data/June	AUD	n	67	28	67	45	60⅞	16	109	14	102	20.0	18.7
Avery Dennison/Dec	AVY	n	33	15	29	16	23¾	–10	85	10	99	NM	15.5
Avnet/June	AVT	n	39	19	33	22	28¾	–7	88	11	100	18.2	15.1
Avon Products/Dec	AVP	n	44	19	44	23	41½	19	112	41	127	14.8	13.7
Baker Hughes/Sep	BHI	n	35*	11*	35	21	26⅞	–1	93	5	94	24.0	18.3
Bally Manufacturing/Dec	BLY	n	30	2	14	2	4¾	–61	37	123	200	NM	NM
Baltimore Bancorp/Dec	BBB	n	25	4	16	4	6⅞	–43	53	62	145	22.2	NM
Baltimore G&E/Dec	BGE	n	40	22	31	24	28¾	–3	91	3	92	17.5	10.6

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	1990 EPS	Earnings estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	Dividends indicated rate	yield	payout	5-year growth rate
7.7%	$3.71	$3.71	$4.13	11%	20	average	$1.35	2.5%	36%	10%
9.6	2.65	2.65	2.95	11	26	average	2.40	8.5	91	1
1.4	0.69	0.69	2.70	291	24	average	0.92	3.3	133	9
4.4	1.44	1.44	1.77	23	17	high	0.36	1.6	25	20
12.5	4.69	4.69	4.02	–14	23	average	2.00	5.3	43	21
5.8	2.61	2.61‡	2.94	13	9	high	0.70	1.8	27	1
18.2	3.92	3.92	4.24	8	37	high	2.30	4.1	59	8
9.2	6.92	6.92	7.29	5	27	very high	0.44	0.5	6	25
def	NA	NA	NA	NA	NA	NA	none	NA	NA	NA
9.9	3.96	3.96	3.69	–7	6	high	1.72	5.2	43	2
3.2	8.11	8.11	NA	NA	NA	NA	3.20	3.6	39	52
def	–3.46	–3.46	0.88	D-P	9	low	0.60	3.0	NM	5
def	–14.03	–14.03	NA	NA	NA	NA	none	NA	NA	NA
0.8	5.28	5.28	5.72	8	15	average	1.12	1.3	21	6
7.3	2.51	2.51	2.66	6	34	high	1.32	4.0	53	4
11.8	4.73	4.73	5.00	6	31	very high	3.40	5.0	72	11
def	–2.71	–2.71	1.52	D-P	9	low	0.64	5.2	NM	11
def	–26.06	NA	NA	NA	NA	NA	none	NA	NA	NA
1.3	0.12	1.56E	2.50	60	21	low	none	NA	NA	NA
6.8	3.77	3.77	3.86	2	39	average	2.20	4.1	58	6
9.4	2.70	2.70	2.83	5	29	average	1.44	2.8	53	17
def	–0.64	–0.64	2.11	D-P	25	very low	none	NA	NA	NA
8.6	3.26	3.26	3.36	3	11	high	1.44	5.9	44	7
14.2	1.04	1.04	1.10	6	30	low	0.30	1.1	29	17
def	–8.47	–9.83	NA	NA	NA	NA	none	NA	NA	NA
7.8	2.96	2.96	3.29	11	30	high	1.00	2.0	34	21
9.1	3.61	3.61	3.92	9	23	average	1.60	4.5	44	14
8.7	4.09	3.77	4.66	24	43	average	0.48	0.8	12	46
5.5	1.54	1.63	1.65	1	23	average	0.10	0.5	6	15
14.7	9.76	9.76	10.00	2	3	average	1.60	2.0	16	NA
4.3	1.10	1.10	1.45	32	18	average	1.08	5.7	98	0
def	–1.05	–1.05	0.04	D-P	12	very low	none	NA	NA	NA
5.3	2.92	2.92	1.83	–37	16	low	1.16	4.3	40	14
2.0	1.41	1.41	1.53	9	6	low	0.68	3.0	48	1
6.8	3.60	3.60	3.08	–14	16	low	1.60	5.6	44	109
1.7	2.68	3.27	2.98	–9	20	low	1.00	3.2	37	4
9.6	3.02	3.02	3.48	15	12	average	2.96	8.4	98	3
9.4	10.20	10.20	10.89	7	41	average	5.50	4.1	54	6
23.9	2.30	2.30	2.80	22	18	average	0.40	0.8	17	NA
12.7	3.04	2.88	3.26	13	25	very high	0.80	1.3	26	16
0.2	0.10	0.10	1.53	NM	14	average	0.72	3.0	NM	17
3.2	1.58	1.57	1.90	21	17	high	0.60	2.1	38	5
5.7	2.81	2.81	3.03	8	17	average	1.40	3.4	50	–18
5.6	1.12	1.06	1.47	39	30	average	0.46	1.7	41	NA
def	–3.31	–1.41E	–0.15	D-D	2	NM	none	NA	NA	NA
1.1	0.31	0.31	–0.10	P-D	1	NM	0.60	8.7	194	18
8.1	1.64	1.64	2.71	65	23	average	2.10	7.3	128	4

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
Banc One/Dec	ONE	n	36	15	36	19	33⅜	21%	114	20%	108	12.1	11.1
Bancorp Hawaii/Dec	BNHI	o	57	26	55	32	54	25	118	25	112	9.8	8.9
Bandag/Dec	BDG	n	101	33	101	66	89¾	5	99	7	96	16.3	15.3
Bank of Boston/Dec	BKB	n	38	3	16	3	6⅝	–54	43	4	93	NM	NM
Bank of New York/Dec	BK	n	55	13	39	13	26¼	–25	70	48	133	6.6	7.2
Bank South/Dec	BKSO	o	21	5	12	5	7	–35	61	12	101	NM	11.5
BankAmerica/Dec	BAC	n	36	5	35	18	33¾	22	115	27	114	8.8	6.9
Bankers Trust NY/Dec	BT	n	58	26	49	29	41⅞	8	102	–3	87	5.4	6.5
BanPonce/Dec	BPOP	o	26	12	20	14	17	–12	83	–6	85	5.4	NA
CR Bard/Dec	BCR	n	27	12	24	13	23⅝	56	147	39	125	31.1	23.4
Barnett Banks/Dec	BBI	n	42	14	38	14	21½	–26	70	14	102	13.4	10.4
Bausch & Lomb/Dec	BOL	n	82	31	82	55	79½	37	129	12	101	18.2	16.0
Baxter International/Dec	BAX	n	33	15	33	21	32½	35	128	17	105	NM	16.4
Bay View Capital/Dec	BVFS	o	27*	11*	22	11	18¾	8	102	33	119	16.9	6.2
BayBanks/Dec	BBNK	o	52	9	21	9	16½	–8	87	29	116	NM	19.4
BB&T Financial/Dec	BBTF	o	25	13	22	14	18⅜	–7	88	16	104	7.4	7.6
Bear Stearns Cos/June	BSC	n	20	6	15	8	14⅜	25	118	42	127	14.8	15.3
Becton Dickinson/Sept	BDX	n	77	39	77	58	75	25	118	1	90	15.9	14.2
Bell Atlantic/Dec	BEL	n	57	30	56	40	50	9	103	–7	84	14.8	13.4
BellSouth/Dec	BLS	n	59	29	58	49	53	–1	93	–3	87	15.7	14.3
Beneficial Corp/Dec	BNL	n	79	29	56	34	51⅞	6	100	20	107	9.2	8.6
Bergen Brunswig/Aug	BBC	a	33	8	33	21	31¼	28	120	9	98	16.2	15.6
Berkshire Hathaway/Dec	BRK	n	8875	2525	8275	5500	7925	12	105	19	107	23.0	26.9
Bethlehem Steel/Dec	BS	n	29	5	21	11	14⅛	–28	68	–4	86	NM	25.2
Betz Laboratories/Dec	BETZ	o	52	18	52	31	50	56	147	21	109	23.6	21.6
Beverly Enterprises/Dec	BEV	n	22	4	11	4	11⅛	137	223	30	117	59.2	30.4
BHC Commun/Dec	BHC	a	57*	40*	57	40	57⅛	21	115	27	114	3.5	13.5
Bindley Western Inds/Dec	BIND	o	18	6	18	9	14⅞	49	140	20	108	14.9	13.8
Biomet/May	BMET	o	30	3	30	11	28	149	235	48	133	41.8	32.2
Black & Decker/Dec	BDK	n	27	8	18	8	13½	–24	71	44	129	16.1	12.6
H&R Block/Apr	HRB	n	51	18	51	34	50⅜	40	132	16	105	22.9	17.1
Blockbuster/Dec	BV	n	15	⅝	15	8	12⅛	43	135	–6	84	28.2	19.9
Boatmen's Bancshs/Dec	BOAT	o	48	25	39	25	38	20	113	20	107	9.7	9.3
Boeing/Dec	BA	n	62	15	62	39	47¾	–2	92	5	94	11.9	9.8
Boise Cascade/Dec	BCC	n	52	20	40	20	24⅞	–36	61	–4	86	15.4	50.8
Borden/Dec	BN	n	39	15	38	27	34½	5	99	15	104	14.0	12.9
Boston Edison/Dec	BSE	n	28	13	21	17	20	7	101	0	90	12.5	10.3
Bowater/Dec	BOW	n	45	16	28	16	24	–9	85	13	101	10.4	13.1
Bristol-Myers Squibb/Dec	BMY	n	79	28	79	51	76⅝	46	138	14	102	22.9	19.1
Broad†/Sept	BRO	n	19	3	11	3	9½	6	100	73	155	7.7	4.7
Brown-Forman/Apr	BFB	a	92	27	80	56	77½	14	107	11	100	15.2	13.8
Brown Group/Jan	BG	n	44	20	30	20	27⅛	9	103	23	110	14.7	12.8
Browning-Ferris Inds/Sept	BFI	n	49	17	49	20	25⅞	–26	70	16	104	NM	14.2
Bruno's/June	BRNO	o	19	7	19	13	18¼	31	124	19	107	22.5	21.2
Brunswick/Dec	BC	n	30	6	16	6	13¾	–4	90	53	137	17.2	25.9
Burlington Northern†/Dec	BNI	n	84	21	39	22	28⅞	–20	75	0	90	10.0	9.7
Burlington Resources/Dec	BR	n	54*	23*	50	33	37⅝	–6	88	–1	89	23.4	23.2

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	1990 EPS	Earnings estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	Dividends indicated rate	yield	payout	5-year growth rate
12.4%	$2.76	$2.76	$3.02	9%	34	average	$1.16	3.5%	42%	12%
10.0	5.51	5.51	6.04	10	9	high	1.64	3.0	30	12
13.4	5.50	5.50	5.88	7	12	very high	1.10	1.2	20	12
def	–6.21	–6.21	–3.59	D-D	20	very low	0.40	6.0	NM	7
5.8	3.98	3.98	3.65	–8	18	average	2.12	8.1	53	8
def	–0.07	–0.07	0.61	D-P	4	low	0.52	7.4	NM	10
7.1	3.85	3.85	4.89	27	33	average	1.20	3.6	31	NA
8.4	7.80	7.80	6.46	–17	28	average	2.54	6.1	33	14
def	3.15	3.15	NA	NA	NA	NA	0.80	4.7	25	6
5.1	0.76	0.76	1.01	33	26	average	0.44	1.9	58	25
3.1	1.61	1.61	2.06	28	29	low	1.32	6.1	82	14
9.6	4.37	4.37	4.97	14	18	very high	1.44	1.8	33	15
0.5	–0.05	–0.05	1.98	D-P	30	very high	0.74	2.3	NM	13
2.4	1.11	1.11	3.01	171	8	average	0.60	3.2	54	NA
def	–4.37	–4.37	0.85	D-P	5	very low	none	NA	NA	NA
9.6	2.49	2.49	2.43	–2	10	average	0.84	4.6	34	7
4.3	0.97	1.10	0.94	–15	8	low	0.56	3.9	58	14
8.9	4.71	4.67	5.28	13	24	very high	1.16	1.5	25	13
10.7	3.38	3.38	3.73	10	34	very high	2.52	5.0	75	9
11.4	3.38	3.38	3.70	9	32	high	2.76	5.2	82	16
8.2	5.61	5.61‡	6.06	8	14	high	2.40	4.6	43	5
1.4	1.93	1.82	2.01	10	10	very high	0.40	1.3	21	22
14.8	344.00	344.00	295.00	–14	2	NM	none	NA	NA	NA
def	–6.45	–6.45	0.56	D-P	12	very low	0.40	2.8	NM	NA
11.0	2.12	2.12	2.32	9	17	high	1.08	2.2	51	8
0.6	0.19	0.19	0.37	95	20	low	none	NA	NA	NA
173.0	16.56	16.56	4.25	–74	1	NM	none	NA	NA	NA
0.3	1.00	1.00	1.08	8	7	average	0.06	0.4	6	NA
19.1	0.67	0.71E	0.87	23	13	very high	none	NA	NA	NA
1.1	0.84	0.84	1.07	27	17	average	0.40	3.0	48	–5
10.7	2.20	2.62E	2.95	13	9	high	1.56	3.1	71	20
10.9	0.43	0.43	0.61	42	11	high	none	NA	NA	NA
8.9	3.90	3.90	4.09	5	14	high	2.12	5.6	54	5
5.0	4.01	4.01	4.86	21	33	average	1.00	2.1	25	15
1.8	1.62	1.62	0.49	–70	24	very low	1.52	6.1	94	8
4.8	2.46	2.46	2.67	9	28	high	1.06	3.1	43	18
6.3	1.60	1.60	1.94	21	18	average	1.58	7.9	99	–3
6.3	2.30	2.30	1.83	–20	17	low	1.20	5.0	52	15
17.0	3.33	3.33	4.00	20	45	very high	2.40	3.1	72	20
4.6	1.23	1.02	2.04	100	4	average	0.20	2.1	16	–7
13.3	5.11	5.29E	5.62	6	4	high	2.24	2.9	44	28
1.8	1.85	1.85	2.12	15	6	average	1.60	5.9	86	2
def	–0.33	–0.29	1.82	D-P	31	average	0.68	2.6	NM	17
2.6	0.81	0.74	0.86	16	13	high	0.18	1.0	22	29
2.9	0.80	0.80	0.53	–34	10	low	0.44	3.2	55	16
4.7	2.89	2.89	2.98	3	15	low	1.20	4.2	42	–14
12.2	1.61	1.61	1.62	1	21	low	0.70	1.9	43	NA

Sources: William O'Neil & Co., The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price: 5-year high	5-year low	12-month high	12-month low	recent	Stock performance: latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios: latest 12 months	1991 est
Cabot/Sept	CBT	n	49	23	36	23	35½	7%	101	23%	111	12.8	12.5
CalFed/Dec	CAL	n	42	2	22	2	7¼	–61	37	66	149	NM	7.3
CalMat/Dec	CZM	n	46	15	36	18	22⅜	–20	75	19	106	7.8	14.9
Campbell Soup/July	CPB	n	82	23	82	44	81	59	150	38	124	NM	26.8
C&S/Sovran/Dec	CVN	n	36	15	28	15	18⅝	–32	64	19	107	11.6	7.4
Capital Cities/ABC/Dec	CCB	n	633	215	633	380	469½	–7	88	2	92	16.9	16.4
Capital Holding/Dec	CPH	n	54	24	49	26	47⅛	5	99	20	108	13.9	8.3
Carnival Cruise Lines/Nov	CCL	a	26*	8*	25	11	19⅜	–5	90	37	123	12.7	11.8
Carolina Power & Lt/Dec	CPL	n	49	30	49	38	47⅛	9	103	1	91	15.0	10.8
Carter Hawley Hale†/Jan	CHH	n	78	1	8	1	2⅛	–72	27	–37	57	NM	NM
Castle & Cooke/Dec	CKE	n	45	12	39	26	36⅛	1	95	23	110	17.8	14.6
Caterpillar/Dec	CAT	n	75	37	69	38	48¼	–22	74	3	92	23.3	46.8
CBI Industries/Dec	CBH	n	51	16	51	31	45¾	19	112	14	102	19.3	18.1
CBS/Dec	CBS	n	226	122	206	150	169¾	–3	91	–2	88	39.2	29.3
Cellular Commun/Dec	COMM	o	44*	5*	38	19	30¾	–3	92	9	98	49.6	NM
Centel/Dec	CNT	n	45	15	39	23	31⅜	–3	91	5	95	41.8	37.4
Centerior Energy/Dec	CX	n	28*	12*	20	16	19¼	0	94	7	96	10.1	10.1
Centex/Mar	CTX	n	44	15	44	19	33⅝	–10	85	13	101	9.5	12.9
Central & So West/Dec	CSR	n	46	27	46	37	44¾	19	112	2	91	11.8	11.4
Central Bancshares/Dec	CBSS	o	23	11	18	13	17½	25	118	23	110	7.5	6.9
Central Fidelity Bks/Dec	CFBS	o	37	18	30	18	28	–2	93	6	95	7.6	7.4
Champion Intl/Dec	CHA	n	45	23	32	23	25⅛	–6	89	1	91	12.3	34.1
Chase Manhattan/Dec	CMB	n	50	10	30	10	13⅞	–50	47	32	119	NM	5.2
Chemical Banking/Dec	CHL	n	56	10	29	10	15⅜	–39	58	43	128	[illegible]	6.4
Chevron/Dec	CHV	n	82	32	82	64	78	16	109	7	96	[illegible]	13.7
Chiquita Brands Intl/Dec	CQB	n	40	8	40	19	37	85	174	16	104	[illegible]	14.6
Chiron/Dec	CHIR	o	65	9	65	26	60¼	111	199	37	123	NM	74.4
Chrysler/Dec	C	n	48	9	18	9	14¼	–18	77	13	101	47.5	NM
Chubb/Dec	CB	n	70	26	70	35	67⅝	38	130	25	112	11.1	11.5
Cigna/Dec	CI	n	76	33	56	33	46⅞	–6	89	15	103	10.8	8.9
Cincinnati Bell/Dec	CSN	n	35	8	26	19	24¼	–7	88	4	94	16.8	15.5
Cincinnati Financial/Dec	CINF	o	100	37	100	65	94½	27	120	13	101	12.1	10.9
Cincinnati G&E/Dec	CIN	n	32	22	32	28	32¼	7	101	8	97	7.8	8.8
Circle K/Apr	CKP	n	19	¼	2	¼	1	–53	NM	300	NM	NM	NA
Circuit City Stores/Feb	CC	n	29	9	29	9	16⅜	–32	64	28	115	10.6	13.3
Circus Circus/Jan	CIR	n	71	14	71	36	62½	26	119	14	103	22.5	16.1
Citadel Holding/Dec	CDL	a	61	17	48	17	33	–26	70	65	148	4.7	4.4
Citicorp/Dec	CCI	n	36	11	25	11	14	–42	54	11	100	24.6	9.2
Citizens First Bncp/Dec	CFB	a	19	2	13	2	3½	–65	33	47	132	NM	NM
Citizens Savings/Dec	CSFCB	o	20	7	13	7	9¾	–13	82	44	130	NM	NA
Citizens Utilities/Dec	CITUA	o	45	17	39	20	28½	–23	73	21	109	13.6	13.0
City National/Dec	CYN	n	28	11	24	11	14⅜	–39	57	19	106	10.7	9.8
Clorox/June	CLX	n	45	23	45	32	39½	3	97	5	94	15.3	15.1
CMS Energy/Dec	CMS	n	40	10	34	25	30¼	–8	87	9	97	NM	8.3
Coast Savings Finl/Dec	CSA	n	22	2	10	2	3⅞	–55	42	63	146	NM	3.4
Coastal Corp/Dec	CGP	n	40	11	40	26	32⅝	6	100	1	91	15.2	12.6
Coca-Cola/Dec	KO	n	56	14	56	36	54	45	137	16	104	26.5	22.6

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net profit margin	latest 12-month EPS	1990 EPS	Earnings estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	Dividends indicated rate	yield	payout	5-year growth rate
4.2%	$2.77	$2.73	$2.85	4%	7	average	$1.04	2.9%	38%	4%
def	–10.16	–10.16	1.00	D-P	12	very low	0.12	1.7	NM	14
19.2	2.87	2.87	1.50	–48	3	low	0.64	2.9	22	20
0.9	0.47	0.03	3.02	NM	24	high	1.16	1.4	NM	9
4.3	1.60	1.60	2.51	57	32	low	1.56	8.4	98	16
8.9	27.71	27.71	28.70	4	17	average	0.20	0.0	1	0
6.4	3.39	3.39	5.70	68	26	high	1.20	2.5	35	7
14.8	1.53	1.53	1.64	7	11	average	0.48	2.5	31	NA
10.7	3.16	3.16	4.37	38	23	high	3.04	6.4	96	11
def	–0.51	–0.37	NA	NA	NA	NA	none	NA	NA	NA
4.0	2.03	2.03	2.47	22	4	average	0.40	1.1	20	NA
1.8	2.07	2.07	1.03	–50	27	very low	1.20	2.5	58	30
3.5	2.37	2.37	2.53	7	8	average	0.60	1.3	25	0
3.4	4.33	4.33	5.79	34	16	low	1.00	0.6	23	12
22.3	0.62	0.62	0.31	–50	6	very low	none	NA	NA	NA
5.6	0.75	0.75	0.84	12	20	average	0.88	2.8	117	18
11.2	1.90	1.90	1.90	0	22	average	1.60	8.3	84	–14
2.4	3.56	2.90E	2.61	–10	10	low	0.40	1.2	11	16
13.0	3.79	3.79	3.94	4	24	high	2.92	6.5	77	7
9.5	2.34	2.34	2.52	8	4	very high	0.88	5.0	38	8
9.2	3.71	3.71	3.77	2	6	average	1.52	5.4	41	10
4.4	2.11	2.11	0.76	–64	21	very low	0.20	0.8	9	19
def	–3.31	–3.31	2.65	D-P	27	low	1.20	8.6	NM	2
3.6	2.38	2.38	2.42	2	27	low	1.00	6.5	42	–3
5.6	6.10	6.10	5.69	–7	36	average	3.10	4.0	51	6
2.2	2.23	2.23	2.54	14	5	very high	0.40	1.1	18	58
5.1	0.24	0.24	0.81	238	19	low	none	NA	NA	NA
0.2	0.30	0.30	–1.17	P-D	25	very low	0.60	4.2	200	10
12.3	6.07	6.07	5.87	–3	27	average	1.32	2.0	22	14
1.8	4.36	4.36	5.25	20	25	average	3.04	6.5	70	3
9.0	1.44	1.44	1.57	9	9	high	0.80	3.3	56	18
12.3	7.83	7.83	8.64	10	8	average	2.72	2.9	35	19
16.3	4.12	4.12	3.65	–11	16	average	2.48	7.7	60	3
def	–18.77	NA	NA	NA	NA	NA	none	NA	NA	NA
3.1	1.54	1.15E	1.23	7	15	low	0.10	0.6	6	37
11.0	2.78	2.78	3.88	40	16	high	none	NA	NA	NA
4.4	7.07	7.07	7.47	6	3	average	none	NA	NA	NA
0.8	0.57	0.57	1.53	168	31	low	1.00	7.1	175	14
def	–3.75	–3.75	–1.06	D-D	1	NM	none	NA	NA	NA
1.0	0.06	0.06	NA	NA	NA	NA	none	NA	NA	NA
26.6	2.09	2.09‡	2.20	5	2	NM	none	NA	NA	NA
8.8	1.35	1.35	1.47	9	4	average	0.64	4.5	47	26
9.0	2.59	2.80	2.61	–7	17	very high	1.44	3.6	56	24
def	–6.07	–6.07	3.64	D-P	21	average	0.48	1.6	NM	NA
def	–4.14	–4.14	1.14	D-P	9	very low	none	NA	NA	NA
2.4	2.15	2.15	2.59	20	24	average	0.40	1.2	19	18
13.5	2.04	2.04	2.39	17	29	very high	0.96	1.8	47	12

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
Coca-Cola Enterprises/Dec	CCE	n	21*	11*	20	12	18¼	16%	109	18%	106	28.1	26.5
Colgate-Palmolive/Dec	CL	n	77	28	77	56	75½	28	121	2	92	16.6	14.7
Colorado Natl Bkshs/Dec	COLC	o	23	8	17	8	14⅜	–7	88	55	140	57.5	21.5
Columbia Gas System/Dec	CG	n	57	27	55	42	44⅜	–4	91	–5	85	20.1	15.6
Comcast/Dec	CMCSA	o	20	7	16	8	15⅞	11	105	21	109	NM	NM
Comdisco/Sept	CDO	n	37	12	28	15	24⅞	–7	88	35	122	11.9	9.8
Comerica/Dec	CMCA	o	59	29	57	32	51¼	10	104	22	109	6.8	6.7
Commerce Bcshs/Dec	CBSH	o	30	13	26	19	24⅝	3	97	6	96	8.2	7.6
Commercial Federal/June	CFCN	o	19	2	5	2	3⅝	26	119	66	149	20.2	NA
Commonwealth Ed/Dec	CWE	n	41	23	40	27	40	14	107	15	103	NM	11.8
Community Psych/Nov	CMY	n	39	16	39	22	36	66	157	24	111	20.0	17.6
Compaq Computer/Dec	CPQ	n	74	6	74	36	59⅝	21	114	6	95	11.6	10.3
Computer Associates/Mar	CA	n	22	4	17	4	8¼	–43	54	6	96	9.5	8.3
Computer Sciences/Mar	CSC	n	73	30	64	37	60	29	121	23	110	14.2	13.6
ConAgra/May	CAG	n	44	14	44	27	43	56	147	16	104	20.9	16.9
Conner Peripherals/Dec	CNR	n	31*	7*	31	15	24½	26	119	4	93	9.8	8.2
Conseco/Dec	CNC	n	55	7	55	17	50⅛	93	182	78	160	9.2	8.8
Consolidated Edison/Dec	ED	n	30	19	27	20	25⅛	–4	90	6	95	10.7	10.6
Consol Freightways/Dec	CNF	n	41	11	22	11	15	–14	81	28	115	NM	15.3
Consol Natural Gas/Dec	CNG	n	53	23	53	40	40¾	–8	87	–7	83	21.3	16.0
Consolidated Papers/Dec	CPER	o	46	23	42	30	36½	–12	83	–5	86	11.2	13.2
Consolidated Rail/Dec	CRR	n	51*	20*	51	32	46⅝	4	98	16	104	9.1	9.8
Continental Airlines/Dec	CTA	a	52	1	9	1	3¼	–61	37	86	167	NM	NM
Continental Bank/Dec	CBK	n	37	7	18	7	11⅛	–34	62	25	113	15.9	6.3
Continental Corp/Dec	CIC	n	55	16	31	16	27⅛	–9	86	9	98	10.7	33.9
Control Data/Dec	CDA	n	38	7	22	7	12	–35	61	35	121	NM	11.8
Cooper Industries/Dec	CBE	n	55	18	55	31	48½	19	112	18	106	17.3	15.7
Adolph Coors/Dec	ACCOB	o	32	16	27	17	23⅞	36	129	16	105	22.7	14.3
CoreStates Financial/Dec	CSFN	o	50	23	45	23	34½	–9	86	9	98	16.8	9.2
Corning/Dec	GLW	n	62	17	62	35	60¼	32	125	34	121	19.6	19.4
Costco Wholesale/Aug	COST	o	70	6	70	30	68¾	91	180	42	128	43.8	33.9
CPC International/Dec	CPC	n	85	26	85	65	82	24	117	–2	88	17.0	15.1
Cray Research†/Dec	CYR	n	136	20	51	20	38	–18	77	27	114	9.5	9.0
Crestar Financial/Dec	CRFC	o	36	11	29	11	16⅜	–40	56	19	107	8.8	7.4
CrossLand Savings FSB/Dec	CRL	n	25	¼	2	¼	¾	–68	NM	82	NM	NM	NA
Crown Central Pet/Dec	CNPA	a	42	12	36	19	30⅜	–3	92	31	117	11.5	8.6
Crown Cork & Seal/Dec	CCK	n	69	27	69	50	61⅝	21	114	9	98	16.6	14.1
CSX/Dec	CSX	n	42	22	39	26	36⅜	5	99	15	103	8.8	9.7
Cullen/Frost Bankers/Dec	CFBI	o	21	5	12	5	7¾	–15	80	21	109	NM	28.7
Cummins Engine/Dec	CUM	n	95	31	56	31	34⅞	–25	71	–6	84	NM	NM
Cyprus Minerals/Dec	CYM	n	33	9	27	14	20⅜	–22	74	10	99	8.6	8.6
Dana/Dec	DCN	n	54	20	38	20	28⅛	–19	77	–6	85	15.2	13.8
Dauphin Deposit/Dec	DAPN	o	38	24	36	24	34¼	8	102	26	113	9.6	10.1
Dayton Hudson/Jan	DH	n	80	22	80	46	67½	0	94	18	106	12.5	11.6
Dean Foods/May	DF	n	49	23	49	30	44½	43	135	11	100	17.9	15.0
Deere & Co/Oct	DE	n	78	22	78	38	50¼	–30	66	7	96	13.2	20.8
Delta Air Lines/June	DAL	n	86	32	81	53	70	–4	91	26	113	NM	NM

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	1990 EPS	Earnings estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	Dividends indicated rate	yield	payout	5-year growth rate
2.3%	$0.65	$0.65	$0.69	6%	19	average	$0.05	0.3%	8%	19%
5.6	4.56	4.56	5.15	13	19	very high	1.80	2.4	39	8
0.7	0.25	0.25	0.67	168	8	low	0.16	1.1	64	NA
4.4	2.21	2.21	2.85	29	21	average	2.32	5.2	105	–12
def	–1.58	–1.58	–1.36	D-D	6	average	0.14	0.9	NM	30
4.1	2.09	2.09	2.53	21	9	high	0.28	1.1	13	25
9.7	7.55	7.55	7.60	1	12	high	2.60	5.1	34	18
9.6	3.02	3.02	3.23	7	7	high	0.72	2.9	24	7
0.2	0.18	–4.61	NA	NA	NA	NA	none	NA	NA	NA
2.4	0.22	0.22	3.39	NM	27	average	3.00	7.5	NM	0
22.4	1.80	1.80	2.05	14	28	high	0.36	1.0	20	11
12.6	5.14	5.14	5.78	12	41	average	none	NA	NA	NA
12.4	0.87	0.85E	1.00	18	19	low	0.10	1.2	11	NA
4.0	4.22	3.95E	4.40	11	17	high	none	NA	NA	NA
1.5	2.06	2.16E	2.54	18	17	high	0.69	1.6	33	18
1.0	2.51	2.51	2.98	19	15	average	none	NA	NA	NA
5.6	5.46	5.46	5.69	4	4	average	0.24	0.5	4	NA
10.0	2.34	2.34	2.38	2	27	high	1.86	7.4	79	8
def	–1.16	–1.16	0.98	D-P	17	very low	none	NA	NA	NA
6.0	1.91	1.91	2.54	33	22	average	1.88	4.6	98	10
15.0	3.27	3.27	2.77	–15	18	average	1.28	3.5	39	15
7.3	5.10	5.10	4.76	–7	16	average	1.60	3.4	31	43
def	–57.52	–57.52	–3.81	D-D	10	very low	none	NA	NA	NA
2.4	0.70	0.70	1.76	151	17	low	1.00	9.0	143	72
2.5	2.53	2.53	0.80	–68	24	very low	2.60	9.5	103	0
0.2	0.05	0.05	1.02	NM	10	average	none	NA	NA	NA
5.8	2.81	2.81	3.10	10	23	high	1.16	2.4	41	8
2.1	1.05	1.05	1.67	59	8	average	0.50	2.1	48	1
4.4	2.06	2.06	3.75	82	26	low	1.92	5.6	93	11
9.8	3.07	3.07	3.10	1	14	high	1.00	1.7	33	13
1.3	1.57	1.40	2.03	45	14	average	none	NA	NA	NA
6.5	4.83	4.83	5.43	12	32	very high	2.20	2.7	46	22
14.0	4.02	4.02	4.24	5	25	average	none	NA	NA	NA
4.8	1.87	1.87	2.21	18	14	low	1.32	8.1	71	18
def	–33.09	–33.09	NA	NA	NA	NA	none	NA	NA	NA
1.3	2.65	2.65	3.52	33	3	average	0.80	2.6	30	0
3.5	3.71	3.71	4.36	18	5	high	none	NA	NA	NA
5.1	4.15	4.15	3.76	–9	17	average	1.40	3.8	34	6
def	–0.94	–0.94	0.27	D-P	4	low	none	NA	NA	NA
def	–14.47	–14.47	–4.17	D-D	15	very low	2.20	6.3	NM	0
5.9	2.38	2.38	2.38	0	12	low	0.80	3.9	34	NA
1.4	1.85	1.85	2.04	10	15	low	1.60	5.7	86	6
13.5	3.56	3.56	3.40	–4	4	average	1.48	4.3	42	12
2.8	5.41	5.41	5.81	7	30	average	1.44	2.1	27	12
3.1	2.48	2.63E	2.96	13	10	high	0.74	1.7	30	25
3.8	3.81	5.42	2.42	–55	27	low	2.00	4.0	52	64
def	–3.77	5.79	–2.91	P-D	20	very low	1.20	1.7	NM	9

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price: 5-year high	5-year low	12-month high	12-month low	recent	Stock performance: latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios: latest 12 months	1991 est
Deluxe/Dec	DLX	n	42	20	40	27	38¼	28%	120	9%	98	18.8	16.9
Deposit Guaranty/Dec	DEPS	o	42	18	27	18	24¾	–8	86	25	113	8.0	6.7
DeSoto†/Dec	DSO	n	53	8	48	8	9⅜	–1	93	14	102	0.4	NA
Detroit Edison/Dec	DTE	n	31	12	31	25	28⅝	16	109	1	91	8.8	8.8
Diamond Shamrock/Dec	DRM	n	29*	7*	28	17	25	4	98	30	117	8.2	9.7
Digital Equipment/June	DEC	n	200	46	95	46	69⅛	–11	84	26	113	NM	16.3
Dillard Dept Stores/Jan	DDS	n	108	24	108	63	101⅛	44	136	16	104	20.2	16.7
Dime Savings Bank FSB/Dec	DME	n	27*	2*	9	2	5¼	–32	64	121	198	NM	6.4
Discount Corp of NY/Dec	DCY	n	30	7	13	7	10⅜	–9	86	11	99	21.6	17.3
Walt Disney/Sept	DIS	n	137	34	137	86	119	4	98	17	105	19.8	18.6
Dominion Bankshares/Dec	DMBK	o	26	5	20	5	8⅜	–56	41	22	109	NM	8.1
Dominion Resources/Dec	D	n	52	37	49	41	47	6	100	0	90	10.7	10.6
RR Donnelley & Sons/Dec	DNY	n	53	26	50	34	47	5	99	18	106	16.2	15.2
Dover/Dec	DOV	n	42	19	42	28	39⅞	3	97	0	90	15.6	15.3
Dow Chemical/Dec	DOW	n	76	31	70	37	47¾	–29	67	1	90	9.4	12.2
Dow Jones/Dec	DJ	n	56	18	30	18	24⅜	–13	82	2	91	23.0	21.0
Downey S&L Assn/Dec	DSL	n	24	7	20	10	14¼	–3	92	12	100	5.5	5.0
DPL/Dec	DPL	n	21	14	21	17	20⅜	5	99	6	95	9.1	10.1
DQE/Dec	DQE	n	26	11	26	21	25	21	114	0	90	11.2	10.7
Dresser Industries/Oct	DI	n	29	7	29	17	24⅛	–2	92	16	104	19.2	15.8
Dreyfus/Dec	DRY	n	46	16	38	22	35½	–3	92	28	115	22.8	16.9
El du Pont de Nemours/Dec	DD	n	44	24	42	31	36½	–4	91	–1	89	10.7	11.7
Duke Power/Dec	DUK	n	32	20	32	26	28¾	5	99	–6	84	12.0	11.2
Dun & Bradstreet/Dec	DNB	n	72	36	49	36	46⅝	2	96	11	99	16.7	15.9
E-Systems/Dec	ESY	n	41	23	40	24	37⅝	26	119	9	98	13.7	11.0
Eastman Kodak/Dec	EK	n	71	34	47	34	43⅛	12	106	4	93	19.9	10.6
Eaton/Dec	ETN	n	72	37	64	41	57¾	4	98	16	104	11.4	13.5
Echlin/Aug	ECH	n	25	9	14	9	12¾	–4	91	13	102	15.7	14.7
EG&G/Dec	EGG	n	45	27	42	28	40⅞	4	98	32	118	15.7	14.2
Emerson Electric/Sept	EMR	n	45	26	45	31	43⅜	12	105	15	103	15.7	15.0
Engelhard/Dec	EC	n	29	15	26	17	25¾	40	132	36	122	16.4	13.5
Enron/Dec	ENE	n	63	31	63	50	56½	7	101	3	93	16.1	19.0
Enserch/Dec	ENS	n	28	13	28	17	19⅜	–22	73	–4	86	14.3	17.3
Entergy/Dec	ETR	n	24	8	24	18	24	20	113	7	96	9.8	10.0
Equifax/Dec	EFX	n	22	9	22	14	17⅞	9	103	10	99	22.6	15.4
Equimark/Dec	EQK	n	28	1	11	1	2	–80	18	–11	80	NM	NA
Equitable of Iowa/Dec	EQICB	o	36	14	31	14	22	–24	71	29	116	6.6	4.3
Ethyl/Dec	EY	n	33	14	33	21	29⅝	18	111	26	113	15.2	14.5
Exxon/Dec	XON	n	58	27	58	45	57⅞	25	118	12	100	14.6	13.9
Farm & Home Finl/Dec	FAHS	o	26*	6*	13	6	9½	–21	75	31	118	NM	6.6
Federal Express/May	FDX	n	76	30	58	30	35⅛	–36	60	4	93	NM	9.6
Federal Home Loan Mor/Dec	FRE	n	105*	30*	82	30	74	13	106	52	136	10.7	8.5
Federal Natl Mortgage/Dec	FNM	n	49	8	49	25	42¾	26	119	20	108	9.5	8.5
Federal Paper Board/Dec	FBO	n	30	11	26	13	25	5	99	36	122	9.1	12.3
Fifth Third Bancorp/Dec	FITB	o	41	20	41	23	39¼	14	107	19	107	12.8	11.7
First Alabama Bcshs/Dec	FABC	o	27	13	23	15	22	39	131	24	111	10.5	9.8
First American Corp/Dec	FATN	o	35	5	20	5	9⅛	–49	48	43	128	NM	20.8

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	Earnings 1990 EPS	Earnings estimated 1991 EPS	Earnings % change '91 vs '90 EPS	Earnings number of analysts	Earnings confidence factor on estimate	Dividends indicated rate	Dividends yield	Dividends payout	Dividends 5-year growth rate
12.2%	$2.03	$2.03	$2.26	11%	14	high	$1.16	3.0%	57%	16%
5.2	3.10	3.10	3.71	20	5	average	1.56	5.3	50	6
118.7	21.68	21.68	NA	NA	NA	NA	0.16	1.7	1	–32
15.6	3.26	3.26	3.27	0	23	high	1.78	6.2	55	1
2.9	3.04	3.04	2.58	–15	12	average	0.52	2.1	17	29
def	–0.73	0.59	4.23	NM	31	average	none	NA	NA	NA
5.1	5.01	5.01	6.05	21	20	high	0.20	0.2	4	12
def	–5.94	–5.94	0.82	D-P	6	very low	none	NA	NA	NA
1.1	0.48	0.48	0.60	25	1	NM	0.40	3.9	83	–21
13.6	6.02	6.00	6.39	7	31	high	0.70	0.6	12	19
def	–1.02	–1.02	1.04	D-P	11	low	0.44	5.3	NM	6
12.6	4.38	4.38	4.43	1	29	very high	3.44	7.3	79	4
6.5	2.91	2.91	3.09	6	18	average	1.00	2.1	34	11
7.0	2.55	2.55	2.61	2	10	average	0.80	2.0	31	15
7.0	5.10	5.10	3.93	–23	29	average	2.60	5.4	51	25
6.2	1.06	1.06	1.16	9	19	average	0.76	3.1	72	14
10.5	2.60	2.60	2.85	10	3	low	0.28	2.0	11	11
16.2	2.23	2.23	2.02	–9	17	average	1.62	7.9	73	4
10.7	2.24	2.24	2.34	4	16	very high	1.44	5.8	64	3
3.6	1.26	1.29	1.53	19	28	average	0.60	2.5	48	31
23.8	1.56	1.56	2.10	35	11	average	0.52	1.5	33	3
5.8	3.40	3.40	3.13	–8	28	average	1.68	4.6	49	13
14.6	2.40	2.40	2.56	7	24	high	1.64	5.7	68	5
10.5	2.80	2.80	2.93	5	27	high	2.12	4.5	76	21
4.7	2.74	2.74	3.41	24	23	very high	0.75	2.0	27	9
3.7	2.17	2.17	4.08	88	25	average	2.00	4.6	92	6
4.9	5.05	5.05	4.28	–15	23	average	2.20	3.8	44	21
2.7	0.81	0.85	0.87	2	17	average	0.70	5.5	86	12
3.0	2.60	2.60	2.87	10	10	very high	0.84	2.1	32	10
8.0	2.77	2.75	2.89	5	25	high	1.32	3.0	48	15
2.4	1.57	1.57	1.91	22	8	average	0.68	2.6	43	7
1.5	3.52	3.52	2.98	–15	23	low	2.48	4.4	70	0
3.7	1.36	1.36	1.12	–18	21	low	0.80	4.1	59	–4
12.0	2.44	2.44	2.39	–2	21	average	1.20	5.0	49	NA
5.9	0.79	0.79	1.16	47	13	high	0.52	2.9	66	18
def	–11.96	–11.96	NA	NA	NA	NA	none	NA	NA	NA
3.6	3.35	3.35	5.15	54	5	average	1.20	5.5	36	8
9.2	1.95	1.95	2.04	5	22	average	0.60	2.0	31	42
4.7	3.96	3.96	4.18	6	42	average	2.68	4.6	68	9
1.4	–0.24	–0.24	1.45	D-P	2	NM	0.30	3.2	NM	–18
0.2	0.34	2.45E	3.66	49	8	low	none	NA	NA	NA
10.4	6.90	6.90	8.75	27	16	average	2.00	2.7	29	NA
9.2	4.50	4.50	5.03	12	22	high	0.88	2.1	20	88
8.7	2.74	2.74	2.04	–26	16	average	1.00	4.0	36	40
14.4	3.07	3.07	3.35	9	9	high	1.08	2.8	35	18
11.2	2.10	2.10	2.25	7	7	high	0.96	4.4	46	8
def	–2.69	–2.69	0.44	D-P	9	very low	none	NA	NA	NA

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
First Bancp Ohio/Dec	FBOH	o	39	17	28	17	25	–5%	89	4%	94	9.0	8.6
First Bank System/Dec	FBS	n	37	10	19	10	17	26	119	31	117	11.1	9.5
First Capital Holding/Dec	FCH	n	27	1	6	1	2⅝	–51	46	61	145	2.7	2.4
First Chicago/Dec	FNB	n	50	13	35	13	20⅝	–35	62	25	112	6.2	6.9
First Citizens Bcshs/Dec	FCNCA	o	40	18	27	18	22	–19	77	16	104	7.2	NA
First City Bncp Texas/Dec	FBT	n	938	3	35	3	5⅛	–85	14	11	99	NM	34.2
First Commerce/Dec	FCOM	o	26	13	24	13	19	–15	81	36	122	10.7	7.5
First Empire State/Dec	FES	a	73	35	70	47	69⅜	6	100	27	114	8.8	7.9
First Executive/Dec	FEXC	o	20	⅛	4	⅛	1⅛	–60	38	183	254	NM	NA
First Fidelity Bncp/Dec	FFB	n	47	12	26	12	24⅞	20	113	41	127	NM	8.1
First Financial Mgmt/Dec	FFM	n	39	11	33	14	29⅛	19	112	20	108	10.9	9.7
First Florida Banks/Dec	FFBK	o	37	8	27	8	12⅝	–44	53	40	126	NM	11.4
First Hawaiian/Dec	FHWN	o	27	9	26	15	24⅛	8	102	22	110	9.9	9.1
First Interstate Bncp/Dec	I	n	70	16	46	16	29⅜	–14	81	25	112	4.3	7.9
First of America Bank/Dec	FOA	n	28	15	26	15	23⅜	7	101	10	99	7.2	7.2
First Security/Dec	FSCO	o	36	18	33	18	27⅜	–14	81	12	101	8.7	8.1
First Tennessee Natl/Dec	FTEN	o	37	18	26	18	24⅝	11	104	9	98	8.2	7.0
First Union/Dec	FTU	n	30	14	23	14	20⅝	17	110	34	120	8.2	7.7
First Virginia Banks/Dec	FVB	n	38	17	30	17	26⅝	–1	93	17	105	8.7	8.8
First Wachovia/Dec	FW	n	50	25	50	32	48¾	28	121	16	105	11.5	11.0
Firstar/Dec	FSR	n	35	18	31	22	30⅛	2	96	7	96	7.4	7.3
FirstFed Michigan/Dec	FFOM	o	30	9	18	9	13⅛	0	94	24	111	13.3	6.1
FirsTier Financial/Dec	FRST	o	52	23	42	29	36	–13	82	26	113	NM	7.6
Fleet/Norstar Fini/Dec	FNG	n	31	9	24	9	15½	–27	69	41	127	NM	16.9
Fleming Cos/Dec	FLM	n	46	22	39	28	38¾	21	114	10	99	12.7	11.8
FlightSafety Intl/Dec	FSI	n	65	13	65	36	46¾	–6	88	0	90	21.1	18.3
Florida Progress/Dec	FPC	n	47	29	41	34	39⅜	5	99	3	92	12.3	10.8
Fluor/Oct	FLR	n	55	11	55	29	48½	13	106	32	119	27.3	24.9
FMC/Dec	FMC	n	60	16	39	25	36⅛	0	94	13	102	8.4	8.0
Food Lion/Dec	FDLNA	o	17	4	17	11	16½	48	140	26	113	30.6	25.4
Ford Motor/Dec	F	n	57	25	49	25	32¾	–32	64	23	110	17.6	NM
Forest Labs/Mar	FRX	a	39	7	39	18	38⅛	94	183	53	138	44.3	33.7
Fortune Financial/Sept	FORF	o	35	6	14	6	9¼	–24	71	12	101	NM	6.9
Foster Wheeler/Dec	FWC	n	34	10	34	18	30⅛	27	120	35	121	27.9	22.5
Fourth Financial/Dec	FRTH	o	28	13	28	16	19	–30	66	12	100	19.4	11.4
FPL Group/Dec	FPL	n	38	24	33	26	29⅞	–7	87	3	93	NM	10.9
Franklin Resources/Sept	BEN	n	36	8	36	23	34⅛	6	100	13	101	14.8	13.5
Freeport-McMoRan/Dec	FTX	n	38	15	38	31	32⅜	–4	90	–6	84	6.2	20.8
Fruit of the Loom/Dec	FTL	a	16*	4*	15	6	12¼	–5	90	38	124	9.8	8.8
Fund American Cos/Dec	FFC	n	62	24	62	30	60¾	93	182	17	105	NM	45.7
Gannett/Dec	GCI	n	56	26	43	30	42	5	99	16	104	17.8	17.8
Gap/Jan	GPS	n	52	8	52	20	48	48	139	45	130	23.5	21.3
GATX/Dec	GMT	n	38	15	37	18	32½	–2	93	25	112	9.0	8.5
Geico/Dec	GEC	n	184	86	184	126	168½	17	110	4	93	12.4	13.9
GenCorp/Nov	GY	n	40	5	13	5	9¼	–27	68	51	135	4.7	10.6
Genentech†/Dec	GNE	n	65	16	29	21	24⅞	20	113	11	99	NM	40.1
General Cinema/Oct	GCN	n	32	14	25	17	22⅝	–2	92	16	104	13.9	22.2

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. P–D: Profit to deficit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	1990 EPS	Earnings estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	Dividends indicated rate	yield	payout	5-year growth rate
9.6%	$2.78	$2.78	$2.91	5%	5	high	$1.60	6.4%	58%	9%
6.1	1.53	1.53	1.79	17	21	average	0.82	4.8	54	–6
4.2	0.96	0.96	1.10	15	3	low	none	NA	NA	NA
4.4	3.35	3.35	3.00	–10	23	low	2.00	9.7	60	10
6.8	3.05	3.05	NA	NA	NA	NA	0.40	1.8	13	38
def	–9.87	–9.87	0.15	D-P	4	very low	0.20	3.9	NM	NA
4.6	1.77	1.77	2.53	43	5	average	1.20	6.3	68	0
7.6	7.91	7.91	8.77	11	6	very high	1.40	2.0	18	16
def	–5.35	–5.35‡	NA	NA	4	very low	none	NA	NA	NA
def	–0.33	–0.33	3.07	D-P	18	average	1.20	4.8	NM	–5
5.7	2.68	2.68	3.01	12	10	average	0.10	0.3	4	NA
def	–0.73	–0.73	1.11	D-P	6	low	none	NA	NA	NA
13.2	2.45	2.45	2.64	8	4	high	0.92	3.8	38	19
7.4	6.79	6.79	3.72	–45	28	low	3.00	10.2	44	3
9.5	3.26	3.26	3.26	0	11	high	1.20	5.1	37	8
6.5	3.18	3.18	3.44	8	4	average	1.28	4.6	40	11
6.5	3.01	3.01	3.53	17	8	high	1.68	6.8	56	10
7.5	2.52	2.52	2.67	6	30	average	1.12	5.4	44	13
11.4	3.05	3.05	3.02	–1	8	average	1.32	5.0	43	10
11.8	4.25	4.25	4.42	4	29	average	1.84	3.8	43	17
10.0	4.10	4.10	4.13	1	10	average	1.32	4.4	32	7
3.0	0.99	0.99	2.17	119	4	low	0.60	4.6	61	21
0.9	0.45	0.45	4.72	NM	2	NM	1.20	3.3	NM	3
def	–0.51	–0.51	0.92	D-P	25	very low	0.80	5.2	NM	18
0.8	3.06	3.06	3.29	8	14	high	1.12	2.9	37	10
27.7	2.22	2.22	2.56	15	9	high	0.24	0.5	11	17
8.2	3.21	3.21	3.64	13	20	high	2.74	7.0	85	3
2.0	1.78	1.81	1.95	8	20	average	0.32	0.7	18	10
4.2	4.30	4.30	4.50	5	10	average	none	NA	NA	NA
3.1	0.54	0.54	0.65	20	18	high	0.15	0.9	28	64
0.9	1.86	1.86	–0.52	P-D	26	very low	3.00	9.2	161	29
22.0	0.86	0.90E	1.13	26	14	high	none	NA	NA	NA
def	–0.75	–1.27	1.35	D-P	1	NM	0.30	3.2	NM	33
2.3	1.08	1.08	1.34	24	15	average	0.50	1.7	46	2
4.5	0.98	0.98	1.67	70	4	average	0.88	4.6	90	6
def	–2.86	–2.86	2.74	D-P	26	average	2.36	7.9	NM	4
30.9	2.31	2.28	2.52	11	8	very high	0.46	1.3	20	50
19.8	5.22	5.22	1.56	–70	8	low	2.50	7.7	48	59
5.4	1.25	1.25	1.40	12	9	average	none	NA	NA	NA
def	–5.05	–5.05	1.33	D-P	5	very low	0.68	1.1	NM	18
11.0	2.36	2.36	2.36	0	23	high	1.24	3.0	53	9
7.5	2.04	2.04	2.25	10	23	very high	0.50	1.0	25	23
9.5	3.61	3.61	3.82	6	7	average	1.20	3.7	33	13
10.8	13.64	13.64	12.09	–11	19	average	2.28	1.4	17	16
3.5	1.99	1.99	0.87	–56	6	low	0.60	6.5	30	6
def	–1.05	–1.05	0.62	D-P	25	low	none	NA	NA	NA
5.5	1.63	1.51	1.02	–32	7	average	0.48	2.1	29	13

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
General Dynamics/Dec	GD	n	89	19	39	19	29½	–22%	74	17%	105	NM	5.3
General Electric/Dec	GE	n	76	35	76	50	66¼	4	98	15	104	13.7	12.7
General Mills/May	GIS	n	58	17	58	35	56⅝	60	151	16	104	20.3	18.8
General Motors/Dec	GM	n	51	25	51	30	37½	–19	76	9	98	NM	NM
General Public Utils/Dec	GPU	n	48	18	48	39	47¾	8	102	5	94	9.5	9.2
General Re/Dec	GRN	n	100	46	100	69	92⅛	12	106	–1	89	13.4	13.1
General Signal/Dec	GSX	n	61	31	59	31	40	–26	70	6	95	NM	10.6
Genuine Parts/Dec	GPC	n	44	27	42	33	40	5	99	5	95	14.9	14.1
Georgia Gulf†/Dec	GGC	n	60	5	16	5	15⅛	24	117	42	128	4.9	8.1
Georgia-Pacific/Dec	GP	n	62	23	49	25	43¼	–3	92	16	104	10.1	17.7
Gerber Products/Mar	GEB	n	62	11	62	41	58⅛	40	132	6	95	19.3	15.4
Giant Food/Feb	GFSA	a	36	12	31	21	29	12	105	2	91	14.4	13.0
Gillette/Dec	GS	n	79	18	79	47	72	40	132	15	103	22.5	18.6
PH Glatfelter/Dec	GLT	a	53	21	53	32	50	18	111	15	103	13.3	13.4
GlenFed/June	GLN	n	34	4	16	4	6⅛	–53	44	–4	86	NM	NM
Golden West Finl/Dec	GDW	n	35	10	35	18	28¼	1	95	15	103	9.8	9.0
Goldome/Dec	GDM	n	7*	⅛*	2	¼	¾	–50	NM	138	NM	8.1	NM
BF Goodrich/Dec	GR	n	69	28	47	30	38⅛	–6	89	1	91	7.6	13.5
Goodyear/Dec	GT	n	77	13	38	13	22⅛	–41	56	17	105	NM	34.6
WR Grace/Dec	GRA	n	39	17	32	17	30⅝	3	97	28	115	13.0	12.2
WW Grainger/Dec	GWW	n	81	37	81	54	76⅛	3	97	15	103	16.5	15.8
Great American Bank/Dec	GTA	n	25	⅛	6	⅛	1⅛	–78	21	157	231	NM	NM
Great American Mgmt/July	GAMI	o	26	14	25	24	25	4	98	0	90	3.9	NA
Great A&P Tea/Feb	GAP	n	65	20	60	38	53	1	95	20	108	13.4	12.1
Great Lakes Bancorp/Dec	GLBC	o	28	8	19	8	11¼	–36	61	27	114	NM	4.5
Great Lakes Chemical/Dec	GLK	n	85	15	85	47	79	58	149	24	111	19.7	17.5
Gt Western Financial/Dec	GWF	n	25	9	21	9	17	5	99	39	125	11.3	7.7
Greater NY Savings/Dec	GRTR	o	13	2	9	2	3¼	–54	43	73	155	NM	NA
Greyhound Dial/Dec	G	n	46	19	32	19	31½	4	98	28	115	NM	10.4
Grumman/Dec	GQ	n	33	13	21	14	15⅝	1	95	–20	71	6.3	6.5
GTE/Dec	GTE	n	36	15	34	24	31¾	1	95	9	97	14.1	14.5
Gulf States Utils/Dec	GSU	n	14	5	12	9	11¾	–1	93	7	96	NM	14.5
Halliburton/Dec	HAL	n	59	17	59	40	48¾	7	101	7	96	26.4	20.1
Hannaford Bros/Dec	HRD	n	45	13	45	30	40½	22	115	13	101	19.0	17.2
Hanover Insurance/Dec	HINS	o	38	21	31	21	30	3	98	13	102	11.6	12.9
Harcourt Brace†/Dec	HBJ	n	64	½	5	½	⅞	–68	NM	–6	NM	NM	NM
Harnischfeger Inds/Oct	HPH	n	30	9	24	12	18⅛	–20	76	8	97	8.4	9.2
Harris Corp/June	HRS	n	43	14	36	14	25	–22	73	26	113	28.1	10.3
Harsco/Dec	HSC	n	39	18	28	18	24⅞	–6	89	–4	86	9.0	9.4
Hartford Steam Boiler/Dec	HSB	n	62	17	62	44	57¾	3	97	18	106	15.2	17.1
Hasbro/Dec	HAS	a	31	10	25	11	23⅜	18	111	50	134	15.2	12.4
Hawaiian Electric/Dec	HE	n	40	22	37	27	33	–8	86	4	94	16.3	11.2
HJ Heinz/Apr	HNZ	n	39	17	39	29	38⅞	26	119	11	100	18.9	16.4
Henley Group/Dec	HENG	o	62*	15*	39	15	19¼	–47	50	20	108	NM	NM
Hercules/Dec	HPC	n	74	26	42	26	40½	15	109	20	108	19.9	13.9
Hershey Foods/Dec	HSY	n	42	19	42	30	40⅝	31	124	8	97	17.0	16.4
Hewlett-Packard/Oct	HWP	n	74	25	51	25	47¼	2	96	48	133	14.9	13.7

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. P-Z: Profit to zero. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	Earnings 1990 EPS	Earnings estimated 1991 EPS	Earnings % change '91 vs '90 EPS	Earnings number of analysts	Earnings confidence factor on estimate	Dividends indicated rate	Dividends yield	Dividends payout	Dividends 5-year growth rate
def	$–13.86	$–13.86	$5.56	D-P	21	average	$1.00	3.4%	NM	0%
7.4%	4.85	4.85	5.22	8%	24	very high	2.04	3.1	42%	13
6.5	2.79	2.64E	3.01	14	29	very high	1.28	2.3	46	21
def	–4.09	–4.09	–1.49	D-D	28	very low	1.60	4.3	NM	5
9.3	5.02	5.02	5.17	3	22	high	2.60	5.4	52	87
20.5	6.89	6.89	7.03	– 2	27	high	1.68	1.8	24	15
def	–1.71	–1.71	3.79	D-P	10	average	1.80	4.5	NM	0
6.2	2.68	2.68	2.83	6	24	high	1.45	3.6	54	11
10.2	3.07	3.07	1.88	–39	12	low	none	NA	NA	NA
2.9	4.28	4.28	2.44	–43	25	very low	1.60	3.7	37	17
9.6	3.01	3.36E	3.78	13	18	very high	1.20	2.1	40	15
3.6	2.01	2.01	2.24	11	14	high	0.60	2.1	30	20
8.5	3.20	3.20	3.88	21	20	very high	1.24	1.7	39	22
14.1	3.76	3.76	3.74	–1	7	average	1.20	2.4	32	28
def	NA	3.79	–0.73	P-D	12	very low	none	NA	NA	NA
8.5	2.87	2.87	3.14	9	14	average	0.18	0.6	6	16
0.5	0.10	0.10	0.00	P-Z	1	NM	none	NA	NA	NA
5.6	5.04	5.04	2.83	–44	12	average	2.20	5.8	44	9
def	–0.66	–0.66	0.64	D-P	8	very low	0.40	1.8	NM	–17
3.0	2.36	2.36	2.51	6	16	average	1.40	4.6	59	0
6.6	4.62	4.62	4.84	5	17	high	1.16	1.5	25	13
def	–7.21	–7.21‡	–4.97	D-D	3	very low	none	NA	NA	NA
3.9	6.49	3.67	NA	NA	NA	NA	none	NA	NA	NA
1.3	3.95	3.95	4.37	11	9	high	0.80	1.5	20	18
def	–7.18	–7.18	2.52	D-P	2	NM	none	NA	NA	NA
13.2	4.01	4.01	4.52	13	17	high	0.52	0.7	13	16
4.6	1.50	1.50	2.22	48	14	average	0.84	4.9	56	13
def	–1.47	–1.47	NA	NA	NA	NA	none	NA	NA	NA
0.5	0.38	0.38	3.03	NM	13	average	1.40	4.4	NM	1
2.1	2.48	2.48	2.39	–4	15	average	1.00	6.4	40	0
8.4	2.26	2.26	2.19	–3	26	average	1.58	5.0	70	8
def	–0.99	–0.99	0.81	D-P	20	low	none	NA	NA	NA
2.9	1.85	1.85	2.42	31	30	average	1.00	2.1	54	–1
2.5	2.13	2.13	2.35	10	12	high	0.52	1.3	24	15
3.0	2.58	2.58	2.33	–10	9	low	0.44	1.5	17	39
def	–1.36	–1.36	–0.99	D-D	4	low	none	NA	NA	NA
4.0	2.16	2.18	1.98	–9	12	average	0.40	2.2	19	44
1.2	0.89	3.30	2.42	–27	15	low	1.04	4.2	117	3
4.1	2.77	2.77	2.64	–5	6	low	1.20	4.8	43	9
14.0	3.80	3.80	3.38	–11	16	average	1.80	3.1	47	43
5.9	1.54	1.54	1.89	23	15	average	0.24	1.0	16	36
4.3	2.02	2.02	2.96	47	7	average	2.20	6.7	109	6
8.4	2.06	2.12E	2.37	12	27	very high	0.96	2.5	47	16
def	–5.13	–5.13	–7.00	D-D	1	NM	none	NA	NA	NA
3.0	2.04	2.04	2.92	43	18	average	2.24	5.5	110	8
7.9	2.39	2.39	2.48	4	27	very high	0.90	2.2	38	16
5.7	3.17	3.06	3.45	13	36	average	0.50	1.1	16	21

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
Hibernia/Dec	HIB	n	26	4	17	1	6⅜	–62%	36	–4%	86	NM	6.3
Hillenbrand Inds/Nov	HB	n	48	15	48	30	43	1	95	13	102	21.0	18.5
Hills Dept Stores/Jan	HDS	n	13*	5/8*	5	5/8	2	–54	43	100	180	NM	6.7
Hilton Hotels†/Dec	HLT	n	116	26	58	26	40	–23	73	7	96	17.1	16.7
Home Depot/Jan	HD	n	53	4	53	27	51	68	158	32	119	37.8	30.7
HomeFed/Dec	HFD	n	48	3	34	3	5	–83	16	0	90	NM	NM
Homestake Mining/Dec	HM	n	24	10	24	15	16¼	–15	80	–16	76	NM	43.9
Honeywell†/Dec	HON	n	62	24	62	35	58¾	46	137	32	119	11.7	12.4
Geo A Hormel/Oct	HRL	n	23	7	23	14	22½	37	130	18	106	20.6	19.1
Household Intl†/Dec	HI	n	62	19	53	19	43⅜	–13	82	32	118	7.2	7.0
Houston Industries/Dec	HOU	n	39	27	38	31	35⅝	9	103	–3	87	13.4	11.9
Howard Savings Bank/Dec	HWRD	o	38	5/8	6	5/8	2	–66	32	72	154	NM	NA
Hubbell/Dec	HUBB	a	52	22	52	34	49⅜	24	117	17	105	17.2	16.1
Humana/Aug	HUM	n	51	16	51	38	49¼	25	118	17	105	15.5	14.4
Huntington Bcshs/Dec	HBAN	o	21	9	17	9	14⅝	–11	84	31	118	10.1	7.4
ICH/Dec	ICH	a	33	2	5	2	4¾	58	149	46	131	NM	5.6
Idaho Power/Dec	IDA	n	31	19	28	23	26¾	0	94	4	93	14.0	12.3
Illinois Power/Dec	IPC	n	32	13	19	13	18	–1	93	11	99	NM	12.7
Illinois Tool Works/Dec	ITW	n	58	18	58	39	54⅜	11	105	13	101	16.2	15.5
IMC Fertilizer Group/June	IFL	n	50*	23*	44	30	42⅝	20	113	22	110	12.7	11.5
Imcera Group/June	IMA	n	95	25	95	48	94	66	157	25	113	27.7	23.2
INB Financial/Dec	INBF	o	36	15	29	15	23½	–14	81	24	111	10.5	7.3
Ingersoll-Rand/Dec	IR	n	61	20	61	29	43⅞	–19	76	18	106	12.4	13.4
Inland Steel Inds/Dec	IAD	n	49	15	36	19	21⅞	–36	60	–12	79	NM	NM
Integra Financial/Dec	ITGR	o	38	13	25	13	18½	–24	71	16	104	17.5	8.4
Intel/Dec	INTC	o	53	11	53	28	43¾	3	97	14	102	13.7	12.4
Intelligent Electron/Oct	INEL	o	38*	3*	38	11	31¼	95	184	45	131	13.2	11.7
Intergraph/Dec	INGR	o	36	11	26	11	24	14	107	75	157	18.8	16.1
IBM/Dec	IBM	n	176	93	140	96	111⅝	6	100	–1	89	10.6	10.0
Intl Flavors & Frags/Dec	IFF	n	87	35	87	57	78⅛	32	124	5	94	19.0	17.1
Intl Multifoods/Feb	IMC	n	42	23	42	27	41	37	129	12	101	17.2	13.6
International Paper/Dec	IP	n	65	27	65	43	59⅞	16	109	12	101	11.5	11.5
Interpublic Group/Dec	IPG	n	45	15	45	29	43	30	123	23	110	18.1	16.2
Ipalco Enterprises/Dec	IPL	n	30	19	28	23	27¾	13	106	4	93	10.8	10.3
Itel/Dec	ITL	n	29	8	22	8	13	–33	63	35	121	4.9	68.4
ITT/Dec	ITT	n	66	40	61	40	54¼	4	98	13	101	7.5	8.2
James River Corp Va/Dec	JR	n	44	19	29	19	25¼	5	99	–2	88	39.0	10.5
Jefferson-Pilot/Dec	JP	n	46	23	45	33	43⅜	11	105	17	105	9.8	10.6
Johnson & Johnson/Dec	JNJ	n	94	27	94	55	91⅜	64	155	27	114	26.6	20.8
Johnson Controls/Sept	JCI	n	47	17	32	17	27¾	–8	87	11	100	13.7	11.5
Jostens/June	JOS	n	38	14	38	23	33¾	31	124	3	93	21.8	19.5
JWP/Dec	JWP	n	30	5	30	13	20⅝	1	95	34	120	13.2	11.2
Kansas City P&L/Dec	KLT	n	36	21	36	29	35⅝	9	103	1	91	11.5	10.5
Kansas Power & Light/Dec	KAN	n	33	20	24	20	23¾	5	99	12	101	10.6	10.3
Kellogg/Dec	K	n	94	37	94	60	92⅛	53	144	21	109	22.2	19.7
Kelly Services/Dec	KELYA	o	42	22	42	27	36½	4	98	11	100	15.4	15.1
Kemper/Dec	KEM	o	52	17	43	17	32	–15	80	35	121	NM	8.1

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	1990 EPS	Earnings estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	Dividends indicated rate	yield	payout	5-year growth rate
def	$-0.40	$-0.40	$1.01	D-P	8	low	$0.60	9.4%	NM	22%
6.8%	2.05	2.05	2.33	14%	10	high	0.58	1.3	28%	22
def	-0.46	-0.27E	0.30	D-P	1	NM	none	NA	NA	NA
10.3	2.34	2.34	2.39	2	15	average	1.20	3.0	51	6
4.3	1.35	1.35	1.66	23	20	average	0.12	0.2	9	91
def	-11.57	-11.57	-0.04	D-D	14	very low	0.20	4.0	NM	0
4.3	0.21	0.21	0.37	76	17	low	0.20	1.2	95	23
6.1	5.03	5.03	4.75	-6	18	high	1.50	2.6	30	12
3.0	1.09	1.01	1.18	17	12	high	0.30	1.3	28	19
5.4	6.05	6.05	6.16	2	15	average	2.20	5.1	36	2
8.1	2.67	2.67	3.00	12	24	average	2.96	8.3	111	2
def	-11.23	-11.23	NA	NA	NA	NA	none	NA	NA	NA
12.0	2.88	2.88	3.07	7	9	very high	1.48	3.0	51	19
6.3	3.17	3.08	3.41	11	31	very high	1.20	2.4	38	10
6.8	1.45	1.45	1.98	37	12	high	0.80	5.5	55	12
def	-0.88	-0.88‡	0.85	D-P	3	low	none	NA	NA	NA
14.9	1.91	1.91	2.17	14	16	average	1.86	7.0	97	1
def	-1.53	-1.53	1.42	D-P	20	low	none	NA	NA	NA
7.2	3.35	3.35	3.52	5	15	high	0.72	1.3	21	20
7.8	3.35	3.13	3.71	19	9	average	1.08	2.5	32	58
5.0	3.40	2.42	4.05	67	9	average	1.00	1.1	29	-8
6.2	2.24	2.24	3.24	45	8	high	1.20	5.1	54	16
5.0	3.55	3.55	3.28	-8	22	average	1.32	3.0	37	5
def	-1.41	-1.41	-0.59	D-D	13	very low	0.60	2.7	NM	-7
3.5	1.06	1.06	2.21	108	5	low	1.20	6.5	113	13
16.6	3.20	3.20	3.54	11	37	average	none	NA	NA	NA
2.2	2.36	2.09	2.68	28	11	high	none	NA	NA	NA
6.0	1.28	1.28	1.49	16	15	average	none	NA	NA	NA
8.7	10.51	10.51	11.16	6	34	high	4.84	4.3	46	3
16.3	4.11	4.11	4.58	11	18	very high	2.40	3.1	58	19
1.4	2.39	2.64E	3.01	14	7	high	1.18	2.9	49	3
4.4	5.21	5.21	5.20	0	26	average	1.68	2.8	32	17
6.0	2.38	2.38	2.65	11	6	very high	0.76	1.8	32	22
15.9	2.58	2.58	2.70	5	14	very high	1.88	6.8	73	5
6.7	2.68	2.68	0.19	-93	9	very low	none	NA	NA	NA
4.6	7.28	7.28	6.66	-9	13	average	1.72	3.2	24	15
1.4	0.66	0.66	2.46	273	22	average	0.60	2.3	91	18
13.6	4.41	4.41	4.10	-7	20	high	1.52	3.5	34	7
10.2	3.43	3.43	4.40	28	37	very high	1.36	1.5	40	18
1.9	2.03	2.13	2.42	14	14	average	1.24	4.5	61	8
7.6	1.55	1.51	1.73	15	9	high	0.80	2.4	52	18
2.1	1.56	1.56	1.85	19	8	high	none	NA	NA	NA
13.5	3.11	3.11	3.41	10	16	very high	2.68	7.5	86	7
6.9	2.25	2.25	2.31	3	14	average	1.86	7.8	83	4
9.7	4.16	4.16	4.68	13	36	very high	2.12	2.3	51	16
4.8	2.37	2.37	2.42	2	7	average	0.72	2.0	30	23
0.4	0.25	0.25	3.97	NM	16	average	0.92	2.9	NM	13

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
Kentucky Utilities/Dec	KU	n	24	15	22	17	21	6%	100	1%	91	10.7	10.2
Kerr-McGee/Dec	KMG	n	54	24	54	41	42¾	–15	80	–5	86	14.2	13.8
KeyCorp/Dec	KEY	n	31	17	29	17	28⅛	11	105	21	109	8.1	7.5
Kimberly-Clark/Dec	KMB	n	90	39	90	63	86¼	36	128	3	92	16.0	13.8
King World Prods/Aug	KWP	n	33	8	33	18	29⅛	2	96	19	107	13.3	12.4
Kmart/Jan	KM	n	48	22	42	23	40	17	110	41	127	10.6	10.3
Knight-Ridder/Dec	KRI	n	61	33	56	37	50	–4	91	9	98	17.0	17.2
Kroger†/Dec	KR	n	59	7	23	11	20⅝	60	151	45	130	21.5	16.1
Lafarge/Dec	LAF	n	21	9	20	9	13⅜	–30	66	1	91	13.8	15.4
LG&E Energy/Dec	LGE	n	44	30	42	35	39⅜	–1	94	–2	88	11.4	11.6
Liberty National/Dec	LNBC	o	31	16	27	16	25¾	–2	93	20	108	9.0	8.8
Eli Lilly/Dec	LLY	n	90	29	90	61	75¼	22	115	3	93	19.4	16.2
Limited/Jan	LTD	n	27	8	27	12	25¾	25	118	43	128	23.4	20.0
Lincoln National/Dec	LNC	n	63	31	57	31	50½	–5	89	17	105	11.8	9.5
Litton Industries/July	LIT	n	108	64	87	69	82¼	13	106	7	96	11.2	11.2
Liz Claiborne/Dec	LIZ	n	47	12	47	21	44⅝	84	174	50	135	18.8	16.5
Lockheed/Dec	LK	n	62	25	44	25	41⅛	13	107	22	110	7.8	8.2
Loctite/Dec	LOC	n	36	9	36	22	32¼	43	135	9	98	17.3	15.8
Loews/Dec	LTR	n	135	58	119	75	104⅝	–1	94	7	96	9.5	9.8
Lone Star Tech/Dec	LSST	o	24	2	7	2	6⅛	26	118	123	200	2.7	9.2
Long Island Lighting/Dec	LIL	n	23	6	23	18	23	20	113	8	97	10.2	9.7
Longs Drug Stores/Jan	LDG	n	49	25	44	31	39¾	–6	89	6	95	13.5	12.5
Loral/Mar	LOR	n	49	24	41	24	38¾	27	119	16	104	11.5	9.5
Louisiana Land/Dec	LLX	n	54	23	54	34	43⅜	5	99	3	92	22.4	26.8
Louisiana-Pacific/Dec	LPX	n	45	20	45	20	30¾	–31	65	12	101	12.5	21.4
Lowe's Cos/Jan	LOW	n	50	15	50	18	28½	–13	82	16	104	14.9	13.4
LTV/Dec	LTV	n	10	⅛	3	⅜	1¾	17	110	250	314	4.6	NA
Lubrizol/Dec	LZ	n	59	25	59	35	51¾	44	136	10	98	9.7	12.9
Lyondell Petrochem/Dec	LYO	n	34*	13*	24	13	22	28	120	50	135	4.9	8.4
Magma Copper/Dec	MCU	a	14*	4*	7	4	5⅞	–6	89	27	114	2.2	5.9
Manufacturers Hanover/Dec	MHC	n	58	15	38	15	24	–30	66	14	102	18.9	7.4
Manufacturers Natl/Dec	MNTL	o	60	31	56	34	53¼	9	102	19	107	7.5	7.2
Manville/Dec	MVL	n	65	4	9	4	5½	–35	61	19	107	7.0	10.0
Mapco/Dec	MDA	n	49	18	49	37	47¼	22	115	13	101	11.4	10.3
Marion Merrell Dow/Dec	MKC	n	40	15	40	22	38½	76	166	6	95	22.4	19.3
Marriott/Dec	MHS	n	44	8	28	8	16¼	–40	56	55	139	35.3	14.6
Marsh & McLennan Cos/Dec	MMC	n	90	44	82	60	79⅛	15	109	1	91	19.1	17.6
Marshall & Ilsley/Dec	MRIS	o	39	23	34	23	30¼	–8	86	5	94	9.3	8.4
Martin Marietta/Dec	ML	n	57	34	54	34	54¼	28	121	23	111	8.3	7.8
Masco/Dec	MAS	n	41	14	27	14	22¼	–12	83	30	117	24.5	16.9
Masco Industries/Dec	MASX	o	19	4	9	4	6¼	4	98	32	118	NM	29.8
Mattel/Dec	MAT	n	26	6	26	16	24¾	24	117	23	110	13.8	10.9
Maxxam/Dec	MXM	a	68	8	68	26	45⅞	12	106	47	132	3.0	1.5
May Dept Stores/Jan	MA	n	59	22	59	37	49¼	2	96	15	103	12.7	11.7
Maytag/Dec	MYG	n	32	10	19	10	14⅝	–13	82	38	124	15.6	16.3
MBIA/Dec	MBI	n	45*	11*	45	19	33½	9	103	19	106	10.1	8.9
McCaw Cellular/Dec	MCAWA	o	47*	11*	33	11	24¼	–21	74	41	126	12.6	NM

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. P-D: Profit to deficit. Stock prices as of Mar 22, 1991.

		Earnings					Dividends			
net profit margin	latest 12-month EPS	1990 EPS	estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	indicated rate	yield	payout	5-year growth rate
14.5%	$1.97	$1.97	$2.06	5%	13	high	$1.50	7.1%	76%	4%
4.1	3.01	3.01	3.10	3	24	average	1.44	3.4	48	7
8.2	3.47	3.47	3.75	8	13	average	1.36	4.8	39	9
6.7	5.40	5.49	6.25	16	26	high	2.96	3.4	55	25
18.9	2.19	2.15	2.35	9	9	high	none	NA	NA	NA
2.3	3.78	3.78	3.87	2	32	average	1.72	4.3	46	16
6.5	2.94	2.94	2.91	–1	19	average	1.40	2.8	48	13
0.4	0.96	0.96	1.28	33	9	average	none	NA	NA	NA
3.1	0.97	0.97	0.87	–10	11	low	0.40	3.0	41	32
10.5	3.45	3.45	3.41	–1	11	average	2.84	7.2	82	4
8.7	2.85	2.85	2.93	3	3	high	1.06	4.1	37	24
21.7	3.90	3.90	4.69	20	40	very high	2.00	2.6	51	17
7.6	1.10	1.10	1.29	17	35	average	0.28	1.1	25	24
2.3	4.29	4.29	5.33	24	23	average	2.72	5.4	63	16
3.3	7.36	7.26	7.40	2	20	high	none	NA	NA	NA
11.9	2.37	2.37	2.70	14	15	very high	0.35	0.8	15	16
3.4	5.30	5.30	5.02	–5	22	high	1.80	4.4	34	16
12.1	1.86	1.86	2.04	10	12	high	0.68	2.1	37	31
6.8	11.01	11.01	10.67	–3	9	average	1.00	1.0	9	0
7.5	2.25	2.25	0.67	–70	3	very low	none	NA	NA	NA
13.1	2.26	2.26	2.38	5	22	average	1.50	6.5	66	NA
2.6	2.94	2.94	3.19	9	8	average	1.04	2.6	35	12
4.7	3.36	3.46E	4.08	31	19	average	0.88	2.3	26	11
6.4	1.94	1.94	1.62	–16	21	low	1.00	2.3	52	0
5.1	2.46	2.46	1.44	–41	22	low	1.08	3.5	44	9
2.5	1.91	1.91	2.13	12	18	average	0.52	1.8	27	7
1.2	0.38	0.38	NA	NA	NA	NA	none	NA	NA	NA
13.1	5.34	5.34	4.01	–25	14	average	1.52	2.9	28	6
5.5	4.45	4.45	2.61	–41	10	low	1.60	7.3	36	NA
10.5	2.73	2.73	0.99	–64	11	very low	none	NA	NA	NA
1.8	1.27	1.27	3.26	157	26	low	1.88	7.8	148	–8
9.3	7.10	7.10	7.39	4	10	high	2.32	4.4	33	14
4.9	0.79	0.79	0.55	–30	1	NM	none	NA	NA	NA
4.8	4.13	4.13	4.59	11	7	high	1.00	2.1	24	24
19.8	1.72	1.72	2.00	16	22	high	0.80	2.1	47	52
0.6	0.46	0.46	1.11	141	19	low	0.28	1.7	61	24
11.2	4.15	4.15	4.50	8	25	high	2.60	3.3	63	10
8.6	3.25	3.25	3.60	11	8	average	1.20	4.0	37	25
5.3	6.52	6.52	6.99	7	24	very high	1.50	2.8	23	9
4.3	0.91	0.91	1.32	45	16	low	0.56	2.5	62	25
def	–0.33	–0.33	0.21	D-P	8	very low	none	NA	NA	NA
6.2	1.80	1.80	2.28	27	12	high	0.12	0.5	7	NA
6.1	15.19	15.19	30.00	97	1	NM	none	NA	NA	NA
5.0	3.88	3.88	4.22	9	31	average	1.62	3.3	42	11
3.2	0.94	0.94	0.90	–4	15	low	0.55	3.8	59	1
56.6	3.33	3.33	3.75	13	11	high	0.56	1.7	17	89
35.8	1.92	1.92	–2.02	P-D	7	low	none	NA	NA	NA

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
McCormick & Co/Nov	MCCRK	o	38	8	38	18	37	79%	169	44%	129	22.3	21.3
McDonald's/Dec	MCD	n	39	16	39	25	33⅛	7	101	15	104	15.3	13.8
McDonnell Douglas/Dec	MD	n	95	27	58	27	37⅛	–33	63	–5	86	4.7	6.4
McGraw-Hill/Dec	MHP	n	86	40	60	40	57½	9	103	9	98	16.3	15.6
MCI Communications/Dec	MCIC	o	49	5	44	18	25⅞	–27	69	32	118	24.4	11.0
McKesson/Mar	MCK	n	40	23	38	27	32¾	–11	84	–4	86	14.8	12.6
Mead/Dec	MEA	n	50	20	34	20	28⅝	–10	85	11	100	56.1	14.3
Medco Containment/June	MCCS	o	48	8	48	18	46⅞	148	234	55	139	57.9	47.8
Medtronic/Apr	MDT	n	120	30	120	61	112	81	171	30	117	26.1	21.2
Mellon Bank/Dec	MEL	n	73	18	30	18	26	4	98	9	98	9.2	6.7
Melville/Dec	MES	n	58	22	58	33	50	8	102	19	107	13.9	12.8
Mercantile Bancorp/Dec	MTRC	o	37	17	29	18	27¾	7	101	32	119	7.9	7.4
Mercantile Bkshs/Dec	MRBK	o	28	13	25	13	23½	4	98	16	104	10.1	9.5
Mercantile Stores/Jan	MST	n	53	24	45	24	38¼	2	96	28	114	11.4	10.5
Merchants National/Dec	MCHN	o	41	13	27	13	18	–23	72	22	110	16.8	6.5
Merck/Dec	MRK	n	109	27	109	68	103¾	49	141	15	104	22.8	19.4
Meridian Bancorp/Dec	MRDN	o	28	9	18	9	14⅞	–14	81	45	130	27.1	8.2
Meritor Savings Bank/Dec	MTOR	o	12	½	3	½	1	–58	NM	79	NM	NM	NA
Merrill Lynch/Dec	MER	n	47	16	33	16	32¼	51	142	55	140	20.3	17.4
Fred Meyer/Jan	MEYR	o	23*	10*	18	10	15¾	15	108	26	113	11.5	10.0
Michigan National/Dec	MNCO	o	58	13	41	13	20	–49	48	19	107	6.2	7.5
Microsoft/June	MSFT	o	113	7	113	51	93¾	70	160	25	112	32.3	27.3
Midlantic/Dec	MIDL	o	52	3	21	3	7⅛	–63	35	43	128	NM	NM
Millipore/Dec	MIL	n	47	24	43	26	41⅛	52	144	14	102	41.1	17.4
Minn Mining & Mfg/Dec	MMM	n	94	45	94	74	87¼	5	99	2	91	14.8	14.1
Minnesota Power & Lt/Dec	MPL	n	35	20	28	22	27⅛	7	101	3	93	11.5	11.6
MNC Financial/Dec	MNC	n	29	2	20	2	4	–80	19	23	111	NM	NM
Mobil/Dec	MOB	n	70	28	70	55	64⅜	5	99	11	100	14.0	13.1
Molex/June	MOLX	o	30	13	30	17	28⅛	35	127	22	109	21.2	21.6
Monarch Capital/Dec	MON	n	91	3/8	17	3/8	2⅜	–86	13	325	382	NM	4.3
Monsanto/Dec	MTC	n	63	28	63	39	55½	2	96	15	103	13.1	11.5
Montana Power/Dec	MTP	n	22	15	22	17	22⅛	5	99	9	98	12.0	11.4
JP Morgan & Co/Dec	JPM	n	54	27	50	30	45	29	122	1	91	11.3	10.3
Morgan Stanley/Dec	MS	n	81	26	81	47	79	27	120	45	130	11.7	10.7
Morrison Knudsen/Dec	MRN	n	61	30	61	30	56½	7	101	32	118	19.5	16.5
Morton International/June	MII	n	49*	32*	49	36	45⅛	19	112	–1	89	15.6	15.8
Motorola/Dec	MOT	n	88	34	88	46	57¼	–13	82	9	98	15.1	15.5
Multibank Financial/Dec	MLTF	o	33	2	14	2	6⅝	–42	54	71	153	NM	NM
Murphy Oil/Dec	MUR	n	48	20	48	33	38¼	–14	81	–2	88	12.8	15.8
Nalco Chemical/Dec	NLC	n	64	24	64	45	64¼	31	123	14	102	18.8	17.5
Nash Finch/Dec	NAFC	o	28	15	22	16	19¼	–8	87	12	100	11.7	10.2
National City/Dec	NCC	n	42	23	40	23	33⅜	–5	90	7	96	8.7	8.4
Natl Community Bks/Dec	NCBR	o	56	10	24	10	20	–5	90	29	116	NM	18.2
National Health Labs/Dec	NHLI	o	17*	7*	17	9	16¼	30	123	48	133	19.6	16.4
National Intergroup/Mar	NII	n	27	10	19	11	15⅞	–8	87	14	103	NM	10.7
National Medical/May	NME	n	48	16	48	31	47⅛	45	137	26	113	14.6	13.4
Natl Semiconductor/May	NSM	n	22	3	9	3	7⅛	–11	84	63	146	NM	13.0

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	Earnings 1990 EPS	Earnings estimated 1991 EPS	Earnings % change '91 vs '90 EPS	Earnings number of analysts	Earnings confidence factor on estimate	Dividends indicated rate	Dividends yield	Dividends payout	Dividends 5-year growth rate
5.2%	$1.66	$1.66	$1.74	5%	10	very high	$0.52	1.4%	31%	19%
12.1	2.20	2.20	2.43	10	30	high	0.34	1.0	15	12
1.9	7.99	7.99	5.78	–28	24	low	1.40	3.8	18	10
8.9	3.53	3.53	3.69	5	15	high	2.20	3.8	62	9
3.9	1.06	1.06	2.36	123	32	average	0.10	0.4	9	NA
1.2	2.22	2.39E	2.61	9	13	high	1.60	4.9	72	6
0.7	0.51	0.51	2.00	292	18	low	1.00	3.5	196	14
NA	0.81	–0.16	0.98	D-P	9	very high	0.04	0.1	5	NA
40.0	4.30	3.99E	5.29	33	14	very high	0.82	0.7	19	19
5.1	2.83	2.83	3.91	38	18	low	1.40	5.4	49	–14
4.4	3.59	3.59	3.91	9	19	average	1.44	2.9	40	17
7.5	3.50	3.50	3.73	7	11	average	1.40	5.0	40	0
13.9	2.32	2.32	2.48	7	7	high	0.86	3.7	37	14
5.2	3.36	3.36	3.63	8	8	average	0.97	2.5	29	14
2.8	1.07	1.07	2.79	161	7	average	1.20	6.7	112	22
23.2	4.56	4.56	5.36	18	46	very high	2.24	2.2	49	35
1.8	0.55	0.55	1.81	229	12	average	1.20	8.1	NM	6
def	–5.95	–5.95	NA	NA	NA	NA	none	NA	NA	NA
1.7	1.59	1.59	1.85	16	11	low	1.00	3.1	63	5
1.4	1.37	1.37	1.57	15	5	average	none	NA	NA	NA
3.9	3.21	3.21	2.67	–17	10	low	2.00	10.0	62	19
24.1	2.90	2.34	3.43	47	37	high	none	NA	NA	NA
def	–5.22	–5.22	–1.04	D-D	13	very low	none	NA	NA	NA
4.0	1.00	1.00	2.36	136	17	average	0.44	1.1	44	15
10.0	5.91	5.91	6.20	5	26	high	3.12	3.6	53	14
15.6	2.37	2.37	2.34	–1	12	average	1.90	7.0	80	5
def	–5.23	–5.23	–2.19	D-D	11	very low	none	NA	NA	NA
3.3	4.60	4.60	4.93	7	38	average	2.90	4.5	63	7
10.1	1.33	1.24	1.31	6	14	average	0.02	0.1	2	17
def	–78.36	-78.36‡	0.56	D-P	5	very low	none	NA	NA	NA
6.1	4.23	4.23	4.82	14	27	average	1.94	3.5	46	11
11.3	1.84	1.84	1.95	6	18	high	1.48	6.7	80	5
7.4	3.99	3.99	4.38	10	31	average	1.98	4.4	50	10
4.6	6.75	6.75	7.38	9	12	average	1.50	1.9	22	45
2.1	2.90	2.90	3.43	18	11	average	1.48	2.6	51	0
7.7	2.89	2.80	2.85	2	22	high	0.96	2.1	33	6
4.6	3.80	3.80	3.70	–3	34	average	0.76	1.3	20	6
def	–2.32	–2.32	–0.27	D-D	4	very low	none	NA	NA	NA
5.1	3.00	3.00	2.42	–19	9	average	1.20	3.1	40	0
10.8	3.41	3.41	3.67	8	18	high	1.60	2.5	47	13
0.8	1.64	1.64	1.88	15	3	high	0.68	3.5	41	11
8.7	3.86	3.86	3.98	3	24	average	1.88	5.6	49	21
0.6	0.23	0.23	1.10	378	2	NM	1.40	7.0	NM	17
16.5	0.83	0.83	0.99	19	6	high	0.24	1.5	29	NA
def	–13.20	–0.25E	1.49	D-P	1	NM	none	NA	NA	NA
6.9	3.23	3.06E	3.53	15	21	very high	0.80	1.7	25	14
def	–1.57	–0.21E	0.55	D-P	16	low	none	NA	NA	NA

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	Stock price 5-year low	Stock price 12-month high	Stock price 12-month low	Stock price recent	Stock performance latest 12 months price change	Stock performance latest 12 months relative to market	Stock performance year to date price change	Stock performance year to date relative to market	Price/earnings ratios latest 12 months	Price/earnings ratios 1991 est
National Service/Aug	NSI	n	30	17	29	22	25⅛	–4%	91	0%	90	13.7	12.8
Navistar Intl/Oct	NAV	n	12	2	5	2	4	–3	91	78	160	NM	NM
NBD Bancorp/Dec	NBD	n	40	17	40	24	38¾	29	122	17	105	10.3	9.8
NCNB/Dec	NCB	n	55	16	44	17	29½	–24	72	29	116	8.7	8.5
NCR/Dec	NCR	n	99	39	99	44	98¼	43	135	8	97	18.1	17.9
New England Electric/Dec	NES	n	35	20	27	23	26⅝	0	94	7	96	6.5	10.4
NY State E&G/Dec	NGE	n	39	20	27	21	25⅞	5	99	0	89	10.4	9.8
New York Times/Dec	NYTA	a	50	17	26	17	21⅞	–9	86	6	95	25.7	26.7
Newell Co/Dec	NWL	n	36	5	36	18	30⅞	21	114	25	112	18.5	17.5
Newmont Mining†/Dec	NEM	n	102	21	55	32	36	–26	70	–12	79	7.1	22.1
Niagara Mohawk Power/Dec	NMK	n	26	11	15	12	14⅜	10	103	10	98	47.9	9.7
Nicor/Dec	GAS	n	47	20	47	35	41	4	99	–7	84	10.6	10.1
NIKE/May	NKE	n	55	5	55	26	45	42	134	12	100	11.5	10.1
Nipco Industries/Dec	NI	n	20	8	20	16	20	12	105	6	95	11.1	10.4
Nordstrom/Jan	NOBE	o	43	15	38	17	33½	13	106	51	135	23.6	20.2
Norfolk Southern/Dec	NSC	n	47	21	47	35	44	19	112	5	95	12.8	11.9
Northeast Bancorp/Dec	NBIC	o	80	5	45	5	11¼	–70	28	88	168	NM	NM
Northeast Federal/Mar	NSB	n	26	1	6	1	3¼	–21	74	117	195	NM	NA
Northeast Utilities/Dec	NU	n	28	18	22	18	20⅜	–1	93	2	91	10.5	9.9
No States Power/Dec	NSP	n	41	26	37	28	35⅜	–2	92	4	93	12.5	11.2
Northern Trust/Dec	NTRS	o	37	15	37	20	36⅛	16	109	22	110	11.7	10.9
Northrop/Dec	NOC	n	53	14	29	14	28¾	81	171	65	149	6.4	8.9
Norwest/Dec	NOB	n	26	11	26	14	24⅜	25	118	17	106	8.9	8.5
Novell/Oct	NOVL	o	53	4	53	17	49	129	216	48	133	31.4	26.1
Nucor/Dec	NUE	n	82	29	82	53	76⅞	18	111	24	111	22.0	18.9
NWNL/Dec	NWN	n	44	12	35	12	30¼	4	98	79	161	7.6	5.1
Nynex/Dec	NYN	n	92	56	90	67	72	–12	83	1	91	15.1	11.4
Occidental Petroleum/Dec	OXY	n	40	17	28	17	18½	–32	64	1	90	NM	14.5
Ogden/Dec	OG	n	45	14	29	15	19¼	–26	70	3	92	14.7	12.4
Ohio Casualty/Dec	OCAS	o	53	27	50	27	43½	–8	87	6	95	9.9	9.7
Ohio Edison/Dec	OEC	n	24	16	21	16	18⅜	–6	89	7	96	11.0	10.4
Oklahoma G&E/Dec	OGE	n	40	28	40	33	39⅜	10	104	1	91	11.7	11.8
Old Kent Financial/Dec	OKEN	o	30	18	29	18	24¾	–7	88	7	96	7.5	7.5
Old Republic Intl/Dec	ORI	n	33	16	29	19	28⅜	26	119	24	111	6.4	6.2
Old Stone/Dec	OSTN	o	34	2	13	2	8⅛	–15	80	94	174	NM	NA
Olin/Dec	OLN	n	68	28	59	28	43	–25	71	14	102	10.7	10.2
Oracle Systems/May	ORCL	o	28	2	28	5	9	–64	34	14	103	22.0	13.6
Oryx Energy/Dec	ORX	n	55*	23*	55	31	36⅝	–19	76	1	91	16.2	26.2
Owens-Corning†/Dec	OCF	n	83	9	27	14	24⅞	14	107	56	140	14.0	9.5
Paccar/Dec	PCAR	o	53	21	46	27	40¼	–6	88	25	112	22.0	22.9
Pacific Enterprises/Dec	PET	n	61	33	47	33	36⅞	–19	76	–5	85	NM	12.1
Pacific G&E/Dec	PCG	n	28	14	26	20	25⅜	21	114	3	92	12.2	12.2
Pacific Telesis/Dec	PAC	n	52	22	48	36	42¼	–5	90	–7	84	16.3	14.6
PacifiCorp/Dec	PPW	n	24	13	24	18	22½	2	96	1	90	12.2	11.4
PaineWebber Group/Dec	PWJ	n	39	11	22	11	20⅜	16	110	48	133	NM	21.0
Pall/July	PLL	a	34	13	34	17	31⅞	36	128	37	123	26.1	15
Pan Am/Dec	PN	n	8	¼	3	¼	1	–65	NM	–12	NM	NM	d

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	Earnings 1990 EPS	Earnings estimated 1991 EPS	Earnings % change '91 vs '90 EPS	Earnings number of analysts	Earnings confidence factor on estimate	Dividends indicated rate	Dividends yield	Dividends payout	Dividends 5-year growth rate
5.6%	$1.87	$2.02	$2.01	0%	11	very high	$0.96	3.7%	51%	16%
def	–0.24	–0.16	–0.15	D-D	17	very low	none	NA	NA	NA
10.2	3.75	3.75	3.94	5	24	high	1.40	3.6	37	25
5.5	3.40	3.40	3.46	2	33	low	1.48	5.0	44	16
5.9	5.43	5.43	5.50	1	24	average	1.48	1.5	27	16
14.1	4.11	4.11	2.55	–38	22	average	2.04	7.7	50	1
10.6	2.48	2.48	2.64	6	19	high	2.08	8.0	84	–4
3.6	0.85	0.85	0.82	–4	19	low	0.56	2.6	66	12
9.4	1.67	1.67	1.77	6	14	very high	0.60	1.9	36	29
50.1	5.06	5.06	1.63	–68	15	low	0.60	1.7	12	4
2.6	0.30	0.30	1.49	397	21	average	none	NA	NA	NA
7.4	3.86	3.86	4.07	5	13	high	2.12	5.2	55	6
10.2	3.90	3.93E	4.47	14	14	high	0.56	1.2	14	25
9.1	1.81	1.81	1.93	7	21	high	1.16	5.8	64	58
4.0	1.42	1.42	1.66	17	34	average	0.30	0.9	21	28
12.0	3.43	3.43	3.70	8	20	average	1.60	3.6	47	8
def	–8.10	–8.10	–2.00	D-D	1	NM	none	NA	NA	NA
def	–19.24	NA	NA	NA	NA	NA	none	NA	NA	NA
8.1	1.94	1.94	2.07	7	19	average	1.76	8.6	91	1
9.5	2.83	2.83	3.16	12	20	average	2.32	6.6	82	7
8.7	3.09	3.09	3.32	7	10	high	0.84	2.3	27	16
3.8	4.48	4.48	3.22	–28	17	average	1.20	4.2	27	0
8.1	2.73	2.73	2.87	5	22	high	0.92	3.8	34	10
20.8	1.56	1.36	1.88	38	30	high	none	NA	NA	NA
5.1	3.50	3.50	4.07	16	15	average	0.52	0.7	15	13
3.7	3.97	3.97	5.99	51	13	average	1.32	4.4	33	11
7.0	4.78	4.78	6.30	32	32	high	4.56	6.3	95	9
def	–5.80	–5.80	1.28	D-P	29	low	1.00	5.4	NM	–12
3.6	1.31	1.31	1.55	18	12	average	1.25	6.5	95	10
5.1	4.38	4.38	4.49	3	19	low	2.48	5.7	57	7
12.7	1.67	1.67	1.77	6	23	average	1.50	8.2	90	–2
11.3	3.38	3.38	3.35	–1	21	high	2.58	6.6	76	13
10.1	3.29	3.29	3.29	0	13	high	1.16	4.7	35	12
8.4	4.43	4.43	4.57	3	3	average	0.76	2.7	17	5
0.7	0.03	0.03	NA	NA	NA	NA	0.80	9.7	NM	–10
3.2	4.03	4.03	4.22	5	10	low	2.20	5.1	55	10
5.4	0.41	0.33E	0.66	100	15	very low	none	NA	NA	NA
11.6	2.26	2.26	1.40	–38	25	low	1.20	3.3	53	NA
2.4	1.78	1.78	2.63	48	12	low	none	NA	NA	NA
2.3	1.83	1.83	1.76	–4	12	low	1.00	2.5	55	10
def	–0.86	–0.86	3.05	D-P	16	average	3.48	9.4	NM	0
10.4	2.10	2.10	2.11	0	25	high	1.64	6.4	78	–8
10.6	2.59	2.59	2.90	12	33	high	2.14	5.1	83	9
12.5	1.85	1.85	1.98	7	25	high	1.44	6.4	78	14
def	–3.23	–3.23	0.97	D-P	11	low	0.52	2.6	NM	1
11.5	1.22	1.15	1.02	23	12	average	0.44	1.4	36	28
def	–3.02	–2.90E	–1.91	D-D	9	very low	none	NA	NA	NA

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
Panhandle Eastern†/Dec	PEL	n	50	10	29	10	14½	–47%	50	16%	104	NM	14.5
Paramount Commun/Oct	PCI	n	66	27	50	32	38⅞	–12	83	–5	85	20.2	17.4
Parker Hannifin/June	PH	n	49	19	33	19	24¾	–15	80	4	93	11.4	12.8
Penn Central/Dec	PC	n	34	15	25	15	23⅞	–3	91	20	108	14.9	12.3
Penn Traffic/Jan	PNF	a	28*	12*	23	12	19¼	–6	89	12	101	NM	NA
JC Penney/Jan	JCP	n	76	33	71	37	51⅝	–25	71	17	105	11.3	10.3
Pennsylvania P&L/Dec	PPL	n	45	29	45	39	43⅝	5	99	0	90	11.1	10.4
Pennzoil/Dec	PZL	n	95	39	85	62	72⅝	–9	86	10	99	30.7	22.7
People's Bank/Dec	PBCT	o	10*	2*	8	2	4¼	–44	53	48	133	NM	NM
PepsiCo/Dec	PEP	n	37	8	37	20	32⅞	60	151	26	114	24.4	20.2
Perpetual Financial/Dec	PFCP	o	20	⅛	7	⅜	1⅝	–71	27	191	261	NM	NA
Pfizer/Dec	PFE	n	55	20	55	28	52	77	167	29	116	21.8	19.0
Phelps Dodge†/Dec	PD	n	75	16	72	46	65⅞	10	104	16	104	5.0	7.2
PHH/Apr	PHH	n	45	18	37	18	27⅜	–21	75	12	101	3.0	9.2
Philadelphia Elec/Dec	PE	n	26	15	20	15	19⅜	8	102	8	97	NM	10.0
Philip Morris Cos/Dec	MO	n	71	14	71	38	69½	76	166	34	121	18.2	14.7
Phillips Petroleum/Dec	P	n	31	8	31	24	28¾	14	107	10	99	13.2	12.4
PHM/Dec	PHM	n	24	6	16	6	14⅛	64	154	51	135	12.0	13.6
Pinnacle West/Dec	PNW	n	33	5	19	9	10¾	–20	76	8	97	9.6	7.9
Pioneer Hi-Bred Intl/Aug	PHYB	o	50	24	50	31	45½	9	103	24	111	21.5	14.8
Pitney Bowes/Dec	PBI	n	55	27	54	27	49⅛	6	100	24	111	18.3	13.7
Pittston/Dec	PCO	n	22	9	22	14	18	–5	90	–6	84	14.5	10.0
PNC Financial/Dec	PNC	n	51	16	41	16	29⅝	–26	70	37	123	40.6	8.9
Polaroid/Dec	PRD	n	50	17	48	20	24¼	–48	49	4	93	11.0	11.2
Portland General/Dec	PGN	n	37	15	18	15	18	6	100	0	90	8.3	9.3
Potlatch/Dec	PCH	n	45	21	45	23	31⅛	–24	72	7	96	9.1	10.0
Potomac Electric/Dec	POM	n	30	18	22	18	21⅛	–2	93	3	93	13.0	10.7
PPG Industries/Dec	PPG	n	55	28	55	35	47⅝	13	106	1	91	10.8	11.0
Premark Intl/Dec	PMI	n	42*	13*	30	13	21¾	–20	75	25	112	13.3	9.6
Premier Bancorp/Dec	PRBC	n	16	3	5	3	4½	–3	92	64	147	15.0	11.3
Premier Industrial/May	PRE	n	32	11	32	21	26	3	97	6	95	19.6	16.9
Price Co/Aug	PCLB	o	56	24	47	27	45	13	106	15	103	17.7	16.6
Primerica/Dec	PA	n	38*	17*	38	17	29⅛	7	101	27	114	8.9	8.1
Procter & Gamble/June	PG	n	91	30	91	66	82¼	22	115	–5	85	17.0	16.2
Progressive/Dec	PGR	n	61	22	61	33	57	63	154	11	100	14.8	11.9
Provident Life & Acc/Dec	PACCB	o	30	11	26	12	22⅝	0	94	29	116	5.9	5.6
PSI Resources/Dec	PIN	n	19	10	18	15	17⅜	4	98	4	93	7.9	8.6
Public Service Colo/Dec	PSR	n	27	16	24	20	22¾	–5	90	–2	88	9.1	9.6
Pub Svc Enterprise/Dec	PEG	n	32	20	28	23	27	4	98	2	92	10.6	10.1
Puget Sound Bancorp/Dec	PSNB	o	29	15	26	15	22¼	1	95	17	105	7.8	7.2
Puget Sound P&L/Dec	PSD	n	25	18	22	19	21⅝	7	101	6	95	10.0	10.2
Quaker Oats/June	OAT	n	69	28	59	41	57⅜	22	115	9	97	19.6	18.3
Quantum Chemical†/Dec	CUE	n	105	8	26	8	14⅞	–30	66	21	109	18.8	24.4
Ralston Purina/Sept	RAL	n	58	29	58	41	56⅛	35	127	10	98	16.6	15.4
Raytheon/Dec	RTN	n	85	57	81	58	81	28	121	15	104	9.5	8.8
Reader's Digest Assn/June	RDA	n	34*	21*	34	22	31⅜	29	122	6	96	19.9	18.5
Reebok International/Dec	RBK	n	25	7	25	8	22¾	30	123	98	178	14.8	11.7

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	1990 EPS	Earnings estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	Dividends indicated rate	yield	payout	5-year growth rate
def	$–2.46	$–2.46	$1.00	D-P%	23	low	$0.80	5.5%	NM	–8%
5.9%	1.93	2.16	2.24	4	26	average	0.70	1.8	36%	9
4.2	2.18	2.36	1.93	–18	21	average	0.92	3.7	42	4
4.5	1.60	1.60	1.94	21	5	average	0.68	2.8	43	106
def	–4.94	–4.94‡	NA	NA	NA	NA	none	NA	NA	NA
3.5	4.59	4.59	5.00	9	35	average	2.64	5.1	58	19
14.4	3.95	3.95	4.19	6	20	high	3.10	7.1	78	4
4.3	2.37	2.37	3.20	35	21	low	3.00	4.1	127	7
def	–2.60	–2.60	–0.88	D-D	2	NM	none	NA	NA	NA
6.0	1.35	1.35	1.63	21	31	high	0.40	1.2	30	18
def	–10.91	–10.91	NA	NA	NA	NA	none	NA	NA	NA
12.5	2.39	2.39	2.73	14	41	very high	1.32	2.5	55	10
17.3	13.12	13.12	9.12	–30	20	low	3.00	4.6	23	104
1.8	2.11	2.78E	2.97	7	4	high	1.20	4.4	57	4
2.9	0.07	0.07	1.94	NM	26	average	1.20	6.2	NM	–8
8.0	3.83	3.83	4.72	23	34	very high	1.72	2.5	45	25
4.0	2.18	2.18	2.32	6	38	average	1.12	3.9	51	18
2.6	1.18	1.18	1.04	–12	5	average	0.12	0.8	10	0
6.1	1.12	1.12	1.36	21	18	low	none	NA	NA	NA
6.9	2.12	2.33	3.08	32	10	average	1.16	2.5	55	5
6.7	2.68	2.68	3.60	34	16	high	1.36	2.8	51	16
2.5	1.24	1.24	1.80	45	7	average	0.20	1.1	16	NA
1.5	0.73	0.73	3.32	355	25	low	2.12	7.2	NM	10
7.7	2.20	2.20	2.16	–2	17	average	0.60	2.5	27	5
11.7	2.17	2.17	1.94	–11	17	average	1.20	6.7	55	–9
7.9	3.41	3.41	3.10	–9	16	average	1.32	4.2	39	12
12.1	1.62	1.62	1.98	22	23	average	1.56	7.4	96	9
7.9	4.43	4.43	4.34	–2	18	average	1.68	3.5	38	15
1.9	1.64	1.64	2.27	38	9	average	0.84	3.9	51	73
1.8	0.30	0.30	0.40	33	1	NM	none	NA	NA	NA
12.0	1.33	1.41E	1.54	9	7	very high	0.44	1.7	33	25
2.3	2.55	2.47	2.71	10	16	high	none	NA	NA	NA
6.0	3.27	3.27	3.58	9	16	high	0.40	1.4	12	30
6.7	4.85	4.49	5.08	13	25	very high	2.00	2.4	41	15
6.8	3.84	3.84	4.79	25	14	low	0.52	0.9	14	61
6.5	3.85	3.85	4.05	5	17	average	0.92	4.1	24	5
12.0	2.20	2.20	2.02	–8	19	average	0.88	5.1	40	NA
8.4	2.49	2.49	2.37	–5	20	average	2.00	8.8	80	2
11.3	2.56	2.56	2.67	4	26	high	2.12	7.9	83	2
9.5	2.86	2.86	3.11	9	6	high	1.04	4.7	36	10
14.2	2.16	2.16	2.12	–2	13	average	1.76	8.1	81	0
4.3	2.93	2.93	3.13	7	33	high	1.56	2.7	53	19
0.8	0.79	0.79	0.61	–23	20	very low	none	NA	NA	NA
5.6	3.39	3.23	3.65	13	30	high	1.08	1.9	32	14
6.0	8.53	8.53	9.73	8	29	very high	2.40	3.0	28	10
8.6	1.58	1.48	1.70	15	11	high	0.60	1.9	38	NA
8.2	1.54	1.54	1.94	26	12	average	0.30	1.3	19	34

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
Reliance Group/Dec	REL	n	12*	4*	8	4	6⅛	7%	101	32%	119	3.9	20.4
Republic New York/Dec	RNB	n	58	36	58	37	55	18	111	11	100	10.1	9.1
Reynolds Metals/Dec	RLM	n	70	19	70	49	58½	6	100	3	92	11.7	9.1
Rhone-Poulenc Rorer/Dec	RPR	n	83	16	83	56	81¾	29	121	17	105	NM	18.7
Riggs National/Dec	RIGS	o	42	7	20	7	10½	–43	54	20	108	NM	26.3
Rite Aid/Feb	RAD	n	46	27	44	30	43½	36	129	18	106	16.8	14.5
RJR Nabisco/Dec	RN	n	NA	NA	NA	NA	12	NA	NA	NA	NA	NM	63.2
Roadway Services/Dec	ROAD	o	51	23	51	27	47¾	21	114	24	111	15.7	15.4
Rochester Community/Nov	RCSB	o	19	6	14	6	8⅛	–40	57	14	102	14.3	7.0
Rockwell Intl/Sept	ROK	n	31	14	29	21	27	21	114	–3	87	10.5	10.0
Rohm & Haas/Dec	ROH	n	53	24	46	24	46⅛	44	135	32	119	14.9	15.5
Rose's Stores/Jan	RSTO	o	23	2	8	2	3⅝	–43	54	0	90	NM	8.6
Rubbermaid/Dec	RBD	n	50	18	50	32	49½	40	132	18	106	27.5	24.0
Russell/Dec	RML	n	31	11	31	16	24	–7	88	5	95	14.6	13.4
Ryder System/Dec	R	n	43	12	23	12	17⅛	–12	83	14	103	39.8	13.5
Ryland Group/Dec	RYL	n	33	10	22	10	20	–2	92	25	112	13.1	17.2
Safeco/Dec	SAFC	o	42	23	41	25	37⅞	5	99	15	103	8.6	9.2
Safety-Kleen/Dec	SK	n	38	12	38	20	32¼	54	146	23	111	30.7	25.0
Safeway/Dec	SWY	n	NA	NA	19*	10*	18¼	NA	NA	49	134	20.1	16.2
St Jude Medical/Dec	STJM	o	50	3	50	22	45	92	182	30	117	33.3	25.9
St Paul Bancorp/Dec	SPBC	o	20*	6*	15	–6	11¾	–16	79	42	128	NM	6.3
St Paul Cos/Dec	STPL	o	70	36	70	47	67¾	12	105	8	97	7.9	8.5
Salomon/Dec	SB	n	59	17	29	20	27¼	25	118	12	100	13.1	8.2
San Diego G&E/Dec	SDO	n	46	28	46	39	45	7	100	0	90	12.8	13.1
Santa Fe Pacific†/Dec	SFX	n	65	5	23	5	7¼	–26	70	12	100	NM	10.5
Sara Lee/June	SLE	n	40	13	40	24	39	38	130	23	110	19.3	18.3
Scana/Dec	SCG	n	43	27	37	30	36	12	106	4	93	8.1	10.8
SCEcorp/Dec	SCE	n	41	28	40	34	39½	3	97	3	93	10.9	10.9
Schering-Plough/Dec	SGP	n	52	16	52	38	49⅛	25	118	11	99	19.7	16.6
Charles Schwab/Dec	SCH	n	20*	6*	20	11	18⅝	10	104	64	147	30.1	26.6
Scott Paper/Dec	SPP	n	53	26	51	30	39	–13	82	3	92	19.4	11.0
EW Scripps/Dec	SSP	n	27*	13*	24	13	19¾	–8	87	16	104	31.4	20.8
Seagate Technology/June	SGAT	o	46	6	19	6	14⅛	–18	78	20	108	9.2	8.8
Sears, Roebuck/Dec	S	n	60	22	42	22	32⅝	–15	80	29	115	12.4	9.6
Security Bancorp/Dec	SECB	o	26	13	21	15	19¼	3	97	13	102	7.5	8.4
Security Pacific/Dec	SPC	n	55	17	44	17	23⅝	–36	60	15	103	22.9	6.0
Sequa/Dec	SQAA	n	88	41	77	50	59	–16	79	4	93	19.5	9.1
Service Corp Intl/Dec	SRV	n	32	13	26	15	25	65	156	11	100	19.5	16.2
Service Merchandise†/Dec	SME	n	22	2	10	4	9¾	39	131	59	143	8.4	7.2
SFFed Corp/Dec	SFFD	o	22	4	14	4	9¼	–26	70	61	144	35.6	4.7
Shaw Industries/June	SHX	n	34	6	34	15	25⅝	–15	80	27	114	13.1	14.1
Shawmut National/Dec	SNC	n	31	3	16	3	5⅞	–61	37	20	108	NM	NM
Sherwin-Williams/Dec	SHW	n	22	10	22	15	21¾	20	113	16	104	15.4	13.9
Sigma-Aldrich/Dec	SIAL	o	39	15	39	26	34½	22	115	17	105	24.0	20.9
Signet Banking/Dec	SBK	n	43	7	28	7	12⅝	–53	44	22	109	8.1	10.6
Smith's Food & Drug/Dec	SFD	n	41*	21*	41	25	39⅜	49	140	35	121	29.0	23.6
Snap-on Tools/Dec	SNA	n	47	23	38	26	31⅜	–3	92	–1	89	12.8	13.4

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	1990 EPS	Earnings estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	Dividends indicated rate	yield	payout	5-year growth rate
3.2%	$1.58	$1.58	$0.30	–81%	3	low	$0.32	5.2%	20%	44%
7.3	5.44	5.44	6.06	11	8	average	1.40	2.5	26	4
4.9	5.01	5.01	6.41	28	28	low	1.80	3.1	36	41
0.0	0.02	0.02	4.37	NM	10	average	0.84	1.0	NM	7
def	–4.44	–4.44	0.40	D-P	2	NM	0.60	5.7	NM	–7
3.1	2.59	2.59‡	3.00	16	10	very high	1.00	2.3	39	10
def	–1.11	–1.11	0.19	D-P	4	very low	none	NA	NA	NA
4.0	3.05	3.05	3.10	2	17	average	1.10	2.3	36	2
1.7	0.57	0.57	1.17	105	3	very low	0.56	6.9	98	67
5.0	2.57	2.56	2.69	5	25	high	0.86	3.2	33	8
7.3	3.10	3.10	2.98	–4	19	average	1.24	2.7	40	13
def	–1.46	–1.46	0.42	D-P	2	NM	none	NA	NA	NA
9.4	1.80	1.80	2.06	14	18	very high	0.60	1.2	33	20
9.5	1.65	1.65	1.79	8	14	average	0.32	1.3	19	19
0.8	0.43	0.43	1.27	195	21	average	0.60	3.5	140	7
1.7	1.53	1.53	1.16	–24	8	low	0.60	3.0	39	17
9.1	4.41	4.41	4.13	–6	24	average	1.36	3.6	31	14
9.4	1.05	1.05	1.29	23	26	average	0.32	1.0	30	18
0.6	0.91	0.91	1.13	24	7	average	none	NA	NA	NA
36.9	1.35	1.35	1.74	29	17	average	none	NA	NA	NA
def	–0.46	–0.46	1.87	D-P	6	low	0.40	3.4	NM	63
9.8	8.57	8.57	7.97	–7	25	average	2.60	3.8	30	15
3.4	2.08	2.08	3.33	60	10	average	0.64	2.3	31	0
11.7	3.52	3.52	3.44	–2	14	very high	2.70	6.0	77	3
def	–0.62	–0.62	0.69	D-P	14	low	0.10	1.4	NM	NA
4.1	2.02	1.91	2.13	12	34	high	0.94	2.4	47	20
16.0	4.44	4.44	3.32	–25	19	high	2.62	7.3	59	3
10.9	3.60	3.60	3.60	0	26	high	2.64	6.7	73	6
17.0	2.50	2.50	2.96	18	42	very high	1.12	2.3	45	27
2.7	0.62	0.62	0.70	13	6	low	0.16	0.9	26	NA
2.8	2.01	2.01	3.55	77	25	average	0.80	2.1	40	9
3.7	0.63	0.63	0.95	51	6	low	0.40	2.0	63	0
3.7	1.54	1.92	1.61	–16	14	low	none	NA	NA	NA
1.6	2.63	2.63	3.39	29	24	average	2.00	6.1	76	5
9.5	2.58	2.58	2.30	–11	5	average	1.00	5.2	39	11
1.6	1.03	1.03	3.97	285	29	low	1.52	6.4	148	14
1.5	3.03	3.03	6.50	115	1	NM	0.60	1.0	20	3
11.3	1.28	1.28	1.54	20	7	average	0.56	2.2	44	27
1.8	1.16	1.16	1.35	16	6	average	none	NA	NA	NA
0.6	0.26	0.26	1.99	NM	5	low	none	NA	NA	NA
3.6	1.95	2.11	1.82	–14	9	average	0.50	2.0	26	22
def	–1.84	–1.84	–0.50	D-D	16	very low	none	NA	NA	NA
5.4	1.41	1.41	1.56	11	12	high	0.42	1.9	30	11
13.5	1.44	1.44	1.65	15	14	very high	0.22	0.6	15	11
2.9	1.56	1.56	1.19	–24	13	low	0.80	6.3	51	9
1.7	1.36	1.36	1.67	23	10	high	0.36	0.9	26	NA
10.8	2.45	2.45	2.34	–4	19	average	1.08	3.4	44	17

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price: 5-year high	5-year low	12-month high	12-month low	recent	Stock performance: latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios: latest 12 months	1991 est
Society/Dec	SOCI	o	41	24	40	24	37½	16%	110	16%	104	8.1	7.6
Society for Savings/Dec	SOCS	o	24	3	17	3	6⅜	–57	40	17	105	NM	9.0
Sonat/Dec	SNT	n	56	21	56	39	44	–9	86	–6	84	17.0	18.0
Sonoco Products/Dec	SONO	o	39	17	39	25	36½	9	103	12	101	31.5	13.9
Sotheby's Holdings/Dec	BID	a	37*	8*	24	9	14½	–36	61	40	125	8.7	14.2
South Carolina Natl/Dec	SCNC	o	28	13	22	13	19⅝	–10	85	20	108	8.4	6.9
Southeast Banking/Dec	STB	n	31	3	16	3	5¾	–61	37	18	106	NM	NM
Southern Co/Dec	SO	n	30	18	29	23	28	9	103	0	90	14.7	10.3
Southern Natl/Dec	SNAT	o	16	8	15	8	11	–20	75	10	99	10.9	10.0
So New Eng Telecom/Dec	SNG	n	47	22	40	26	33⅛	–11	84	1	91	15.3	12.5
SouthTrust/Dec	SOTR	o	25	13	21	13	18⅝	–10	85	16	105	7.3	6.6
Southwest Gas/Dec	SWX	n	27	12	19	12	16⅜	–6	89	25	112	9.1	9.2
Southwestern Bell/Dec	SBC	n	65	28	60	47	54⅛	–2	93	–3	87	14.8	13.9
Southwestern Pub Svc/Aug	SPS	n	38	22	30	25	28⅝	–3	92	0	90	11.4	11.2
Spiegel/Dec	SPGLA	o	27*	6*	27	10	16¼	–19	76	20	108	13.8	12.1
Springs Industries/Dec	SMI	n	45	17	37	17	25⅞	–28	68	14	103	NM	9.8
Square D/Dec	SQD	n	82	34	82	34	79½	47	139	60	143	16.1	18.0
Standard Fedl Bank/Dec	SFB	n	13*	5*	10	6	9⅝	17	110	24	112	7.4	6.3
Stanley Works/Dec	SWK	n	40	21	37	26	35⅜	1	96	22	110	14.0	14.3
Star Banc/Dec	STRZ	o	27	15	24	15	21¼	12	105	27	114	9.5	9.2
State Street Boston/Dec	STBK	o	49	17	49	22	46⅞	23	116	34	121	14.7	14.0
Stone Container/Dec	STO	n	40	8	23	8	13¼	–38	58	15	103	8.3	49.1
Storage Technology/Dec	STK	n	50	9	35	11	30	40	132	40	125	13.5	12.1
Student Loan/Dec	SLM	n	57	17	57	33	48¾	8	102	5	95	16.5	13.9
Sumitomo Bank Calif/Dec	SUMI	o	35	18	30	18	26½	–12	83	23	111	4.9	4.5
Summit Bancorp/Dec	SUBN	o	30	8	18	8	11¼	–35	62	23	111	NM	13.7
Sun Co†/Dec	SUN	n	73	26	40	26	33	–9	86	18	106	17.7	12.4
Sun Microsystems/June	SUNW	o	37	6	37	15	29⅞	23	116	40	125	19.2	18.2
Sundstrand/Dec	SNS	n	42	18	40	22	30⅜	–15	80	6	95	9.9	9.8
SunTrust Banks/Dec	STI	n	28	17	28	17	27¼	29	122	20	108	9.9	9.8
Sunwest Financial/Dec	SFSI	o	39	10	20	10	13	–31	65	–4	86	NM	11.5
Super Food Services/Aug	SFS	n	22	10	21	15	16¼	–3	91	0	90	10.4	9.6
Super Valu Stores/Feb	SVU	n	30	16	29	22	27½	8	102	16	104	13.3	12.0
Sysco/June	SYY	n	40	11	40	28	35¼	24	117	5	94	22.3	20.3
Talman Home Federal/Dec	TLMN	o	14*	3*	8	3	4⅛	–37	59	21	109	3.1	3.3
Tambrands/Dec	TMB	n	57	22	57	35	50½	40	132	17	105	22.0	18.5
Tandem Computers/Sept	TDM	n	38	9	30	9	12½	–57	41	7	97	13.7	15.2
Tandy/June	TAN	n	57	24	40	24	31	–9	86	6	95	9.3	9.2
TCF Financial/Dec	TCB	n	18*	6*	14	6	13¼	10	104	74	156	NM	5.3
TECO Energy/Dec	TE	n	34	19	34	27	33	15	108	–2	88	13.5	12.8
Tele-Communications/Dec	TCOMA	o	22	7	17	8	15⅛	11	105	14	103	NM	NM
Teledyne†/Dec	TDY	n	78	12	71	12	22	–13	82	49	134	17.6	11.4
Temple-Inland/Dec	TIN	n	40	18	40	24	37	17	110	17	105	8.8	11.3
Tenneco/Dec	TGT	n	71	35	71	40	44	–34	62	–7	83	10.1	10.5
Texaco†/Dec	TX	n	69	23	69	56	64¼	10	103	6	95	12.4	11.7
Texas Instruments/Dec	TXN	n	80	23	46	23	37½	3	98	–1	89	NM	26.4
Texas Utilities/Dec	TXU	n	39	25	39	32	36⅝	8	102	0	90	8.3	9.0

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	1990 EPS	Earnings estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	Dividends indicated rate	yield	payout	5-year growth rate
9.0%	$4.63	$4.63	$4.93	6%	16	average	$1.84	4.9%	40%	19%
def	–4.40	–4.40	0.75	D-P	2	NM	0.30	4.4	NM	–3
7.3	2.59	2.59	2.44	–6	22	average	2.00	4.5	77	1
3.0	1.16	1.16	2.63	127	12	high	0.92	2.5	79	26
27.7	1.66	1.66‡	1.02	–39	4	low	0.95	5.6	57	NA
7.2	2.33	2.33	2.86	23	8	average	0.80	4.1	34	16
def	–6.10	–6.10	–2.51	D-D	13	very low	none	NA	NA	NA
7.6	1.91	1.91	2.71	42	27	average	2.14	7.6	112	1
6.4	1.01	1.01	1.10	9	4	low	0.44	4.0	44	11
8.2	2.17	2.17	2.66	23	16	high	1.76	5.3	81	6
8.0	2.57	2.57	2.84	11	10	high	1.08	5.8	42	12
4.3	1.81	1.81	1.79	–1	6	average	1.40	8.5	77	3
12.1	3.67	3.67	3.89	6	35	high	2.76	5.1	75	15
14.8	2.51	2.73	2.55	–7	13	average	2.20	7.7	88	2
3.1	1.18	1.18	1.34	14	12	average	0.36	2.2	31	26
def	–0.39	–0.39	2.64	D-P	10	average	1.20	4.6	NM	15
7.3	4.94	4.94	4.42	–11	15	average	2.32	2.9	47	5
4.4	1.30	1.30	1.53	18	7	average	0.40	4.2	31	33
5.4	2.53	2.53	2.47	–2	16	average	1.20	3.4	47	12
9.8	2.23	2.23	2.31	4	4	high	1.00	4.7	45	7
8.9	3.18	3.18	3.35	5	14	average	0.72	1.5	23	20
1.7	1.59	1.59	0.27	–83	18	very low	0.72	5.4	45	45
6.2	2.22	2.22	2.49	12	7	average	none	NA	NA	NA
8.3	2.96	2.96	3.52	19	16	very high	0.80	1.6	27	54
9.0	5.46	5.46	5.95	9	1	NM	1.60	6.0	29	11
def	–0.71	–0.71	0.82	D-P	4	very low	0.80	7.1	NM	6
1.7	1.86	1.86	2.67	44	22	low	1.80	5.5	97	–15
5.5	1.56	1.21	1.64	36	30	average	none	NA	NA	NA
7.1	3.11	3.11	3.13	1	16	average	1.10	3.6	35	1
10.3	2.75	2.75	2.79	1	28	average	0.92	3.4	33	5
def	–0.19	–0.19	1.13	D-P	3	average	none	NA	NA	NA
0.9	1.57	1.60	1.69	6	11	high	0.34	2.1	22	13
1.3	2.06	2.06‡	2.30	12	16	high	0.66	2.4	32	6
1.8	1.58	1.45	1.74	20	19	very high	0.28	0.8	18	15
2.5	1.36	1.36	1.30	–4	1	NM	none	NA	NA	NA
15.5	2.30	2.30	2.73	19	15	high	1.20	2.4	52	6
5.2	0.91	1.13	0.82	–27	23	low	none	NA	NA	NA
5.7	3.32	3.54	3.37	–5	29	average	0.60	1.9	18	26
def	–2.86	–2.86	2.52	D-P	5	average	0.40	3.0	NM	63
12.7	2.45	2.45	2.58	5	23	high	1.62	4.3	66	6
def	–0.81	–0.81‡	–0.37	D-D	5	very low	none	NA	NA	NA
2.0	1.25	1.25	1.93	54	9	average	0.80	3.5	64	0
9.7	4.20	4.20	3.28	–22	18	average	0.88	2.4	21	26
3.9	4.37	4.37	4.19	–4	24	average	3.20	7.3	73	1
3.5	5.18	5.18	5.50	6	36	average	3.20	5.0	62	15
def	–0.92	–0.92	1.42	D-P	27	very low	0.72	1.9	NM	2
18.7	4.40	4.40	4.05	–8	25	high	3.00	8.2	68	2

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
Textron/Dec	TXT	n	40	17	32	19	31¼	34%	126%	14%	102%	9.8	9.4
Time Warner/Dec	TWX	n	183	66	116	66	104	11	105	21	109	NM	NM
Times Mirror/Dec	TMC	n	53	21	38	21	28¾	–17	79	7	97	20.5	21.5
Timken/Dec	TKR	n	41	20	36	20	25	–15	80	18	106	13.5	14.2
TJX Cos†/Jan	TJX	n	44	9	18	9	16	–1	94	47	132	15.1	13.2
Torchmark/Dec	TMK	n	59	22	56	38	53¾	12	106	10	99	12.6	11.0
Tosco/Dec	TOS	n	26	6	25	15	21½	1	95	43	129	4.0	7.4
Toys 'R' Us/Jan	TOY	n	35	10	35	20	25⅞	–4	90	15	103	23.3	19.2
Transamerica/Dec	TA	n	52	23	41	23	35⅜	–9	86	8	97	10.8	9.3
Transco Energy/Dec	E	n	60	18	47	27	31⅛	–26	70	–3	87	58.7	12.4
Travelers/Dec	TIC	n	58	12	34	12	22⅞	–30	66	38	124	NM	7.1
Tribune/Dec	TRB	n	63	28	46	31	41¼	–5	90	17	105	NM	20.8
Trinova/Dec	TNV	n	44	15	29	15	23	–19	77	26	113	15.2	14.4
Trustmark/Dec	TRMK	o	32	17	22	17	19	–5	90	9	97	6.4	6.3
TRW/Dec	TRW	n	70	31	52	31	39⅛	–22	73	3	93	11.5	11.3
Turner Broadcasting/Dec	TBSA	a	21	2	18	8	13¼	–15	81	16	105	NM	NM
Turner Corp/Dec	TUR	a	29	11	17	11	14⅜	–2	93	31	117	NM	9.6
TW Holdings/Dec	TWFS	o	6*	2*	6	2	4	26	119	37	123	NM	NM
20th Century Inds/Dec	TWEN	o	38	15	38	18	36	57	148	26	113	9.4	10.3
Tyco Laboratories/June	TYC	n	66	15	66	37	48	0	95	12	100	15.9	16.2
Tyson Foods/Sept	TYSNA	o	20	5	20	12	19	40	132	22	110	20.1	18.0
UAL/Dec	UAL	n	294	49	170	84	140¾	–10	84	28	115	32.5	21.2
UJB Financial/Dec	UJB	n	33	7	18	7	10¾	–37	59	51	135	NM	22.4
Union Bank/Dec	UBNK	o	37	14	26	14	23½	–4	90	27	114	5.6	5.4
Union Camp/Dec	UCC	n	48	26	44	31	39⅜	12	105	10	99	11.8	15.6
Union Carbide/Dec	UK	n	33	14	23	14	17⅝	–19	76	8	97	8.1	10.3
Union Electric/Dec	UEP	n	32	20	31	25	29⅞	13	106	0	90	10.9	10.8
Union Pacific/Dec	UNP	n	87	45	80	61	71¾	4	98	2	91	11.6	11.3
Union Planters/Dec	UPC	n	20	7	11	7	10	8	102	45	131	8.3	7.1
Union Texas Petrol/Dec	UTH	n	25*	6*	25	13	16½	–11	84	9	98	20.4	19.2
Unisys/Dec	UIS	n	48	2	16	2	5⅜	–65	33	115	193	NM	NM
UA Entertainment/Dec	UAECA	o	24	9	17	9	13	–2	93	4	93	NM	NM
United Missouri Bcsh/Dec	UMSB	o	33	23	31	23	28⅞	–3	92	7	96	9.7	9.5
US Bancorp/Dec	USBC	o	29	13	29	15	26⅝	9	103	32	118	8.7	8.1
US Healthcare/Dec	USHC	o	52	4	52	11	49⅞	334	409	70	152	30.8	23.2
US Shoe/Jan	USR	n	35	7	26	7	11⅞	–44	53	25	112	NM	9.7
US Surgical/Dec	USS	n	111	9	111	28	105¼	273	351	47	132	59.5	44.2
US Trust/Dec	USTC	o	40	26	38	27	36	3	37	16	104	29.0	11.7
United Technologies/Dec	UTX	n	63	30	63	40	47	–17	78	–2	88	8.0	8.8
United Telecom/Dec	UT	n	46	12	46	21	24	–37	59	3	93	16.8	12.4
Unitrin/Dec	UNT	o	NA	NA	40*	25*	37¾	NA	NA	23	110	15.7	13.9
Universal/June	UVV	n	39	22	34	22	29	–11	84	22	110	13.7	11.8
Unocal/Dec	UCL	n	35	8	35	23	26⅜	–13	82	0	90	15.4	15.3
UNUM/Dec	UNM	n	63*	15*	63	32	59	33	126	27	114	11.0	10.9
Upjohn/Dec	UPJ	n	54	23	48	33	46⅞	19	113	23	111	19.0	17.4
US West/Dec	USW	n	41	21	41	32	39⅛	8	101	1	90	12.6	12.2
USAir Group/Dec	U	n	55	13	32	13	19⅜	–36	61	23	110	NM	NM

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. ‡Earnings reported after Mar 22, 1991. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	1990 EPS	Earnings estimated 1991 EPS	% change '91 vs '90 EPS	number of analysts	confidence factor on estimate	Dividends indicated rate	yield	payout	5-year growth rate
3.6%	$3.18	$3.18	$3.34	5%	14	high	$1.00	3.2%	31%	5%
def	–13.67	–13.67	–9.52	D-D	18	low	1.00	1.0	NM	0
5.0	1.40	1.40	1.34	–4	20	average	1.08	3.8	77	8
3.2	1.85	1.85	1.76	–5	7	low	1.00	4.0	54	30
3.0	1.06	1.06	1.21	14	20	high	0.46	2.9	43	35
12.8	4.28	4.28	4.90	14	21	high	1.40	2.6	33	21
5.7	5.37	5.37	2.90	–46	5	low	0.60	2.8	11	NA
5.9	1.11	1.11	1.35	22	29	average	none	NA	NA	NA
4.0	3.29	3.29	3.81	16	24	average	1.96	5.5	60	5
1.3	0.53	0.53	2.52	375	23	low	1.36	4.4	NM	–15
def	–1.85	–1.85	3.22	D-P	25	average	1.60	7.0	NM	4
def	–1.22	–1.22	1.98	D-P	18	low	0.96	2.3	NM	19
2.3	1.51	1.51	1.60	6	19	average	0.68	3.0	45	14
8.5	2.96	2.96	3.02	2	3	very high	1.03	5.4	35	10
2.5	3.39	3.39	3.47	2	23	average	1.80	4.6	53	5
def	–0.42	–0.42	0.16	D-P	3	very low	none	NA	NA	NA
def	–2.41	–2.41	1.50	D-P	1	NM	1.00	7.0	NM	–5
def	–0.61	–0.61	–0.35	D-D	3	very low	none	NA	NA	NA
12.3	3.85	3.85	3.50	–9	10	low	0.84	2.3	22	28
4.9	3.02	2.90	2.97	2	7	average	0.36	0.8	12	16
3.3	0.91	0.91	1.05	15	12	high	0.04	0.2	4	6
0.9	4.33	4.33	6.63	53	19	very low	none	NA	NA	NA
def	–0.17	–0.17	0.48	D-P	9	very low	0.60	5.6	NM	11
8.7	4.23	4.23	4.39	4	4	high	1.40	6.0	33	11
8.1	3.35	3.35	2.53	–24	25	low	1.56	4.0	47	10
4.0	2.19	2.19	1.72	–21	24	low	1.00	5.7	46	–13
14.5	2.74	2.74	2.76	1	15	average	2.16	7.2	79	3
8.9	6.17	6.17	6.37	3	18	high	2.50	3.5	41	6
5.3	1.20	1.20	1.40	17	7	average	0.48	4.8	40	18
9.0	0.81	0.81	0.86	6	8	low	0.20	1.2	25	–24
def	–3.45	–3.45	–0.74	D-D	22	very low	none	NA	NA	NA
def	–0.79	–0.61E	–0.61	D-D	6	very low	none	NA	NA	NA
9.1	2.97	2.97	3.04	2	4	very high	0.80	2.8	27	11
9.5	3.06	3.06	3.27	7	25	average	1.00	3.8	33	17
6.0	1.62	1.62	2.15	33	17	average	0.50	1.0	31	34
1.9	–0.61	–0.61‡	1.23	D-P	5	average	0.52	4.4	NM	2
9.0	1.77	1.77	2.38	34	17	high	0.50	0.5	28	26
3.0	1.24	1.24	3.09	149	5	average	1.60	4.4	129	27
3.5	5.91	5.91	5.32	–10	25	average	1.80	3.8	30	13
3.7	1.43	1.43	1.94	36	21	average	1.00	4.2	70	1
10.8	2.40	2.40	2.71	13	5	average	0.80	2.1	33	NA
1.1	2.11	2.22	2.46	11	7	low	1.52	5.2	72	11
3.7	1.71	1.71	1.73	1	38	low	0.70	2.7	41	17
8.5	5.38	5.38	5.42	1	16	high	0.80	1.4	15	21
15.0	2.47	2.47	2.69	9	38	high	1.16	2.5	47	23
12.0	3.11	3.11	3.22	4	32	very high	2.00	5.1	64	21
def	–10.89	–10.89	–2.26	D-D	22	very low	none	NA	NA	NA

Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; Forbes.

Company/fiscal year-end	Ticker symbol	Exch	Stock price 5-year high	5-year low	12-month high	12-month low	recent	Stock performance latest 12 months price change	latest 12 months relative to market	year to date price change	year to date relative to market	Price/earnings ratios latest 12 months	1991 est
USF&G/Dec	FG	n	49	7	30	7	9½	–67%	31	27%	114	NM	52.8
USG†/Dec	USG	n	60	¾	5	¾	2½	–39	57	208	276	NM	22.7
USLife/Dec	USH	n	50	23	42	23	37⅝	–1	93	34	121	8.8	8.6
UST Inc/Dec	UST	n	45	8	45	26	43½	65	156	19	107	22.2	19.0
USX/Dec	X	n	40	15	38	27	30¼	–14	81	–1	89	9.6	10.8
Valero Energy/Dec	VLO	n	23	5	23	14	21⅝	45	137	41	126	9.4	10.8
Valhi/Dec	VHI	n	18	2	17	4	9½	–43	53	90	171	14.6	NA
Valley Bancorp/Dec	VYBN	o	28	17	25	17	21¼	–12	83	20	107	8.8	7.7
Valley Federal S&L/Dec	VFEDC	o	22	⅜	2	½	1	33	NM	14	NM	NM	NA
Valley National/Dec	VNCP	o	50	9	20	9	18½	33	126	70	153	48.7	24.7
VF/Dec	VFC	n	48	12	32	12	24	–22	74	31	117	17.8	10.6
Viacom/Dec	VIA	a	33*	5*	28	16	25⅛	–3	92	–4	86	NM	NM
Vons Cos/Dec	VON	n	30	6	30	15	30¼	48	139	34	121	23.6	20.6
Vulcan Materials/Dec	VMC	n	49	⅝	47	29	34⅛	–24	72	0	90	11.0	11.9
Waban/Jan	WBN	n	20*	5*	17	5	14½	71	161	30	117	22.7	14.2
Wal-Mart Stores/Jan	WMT	n	39	9	38	23	37⅛	60	151	23	110	32.6	26.3
Walgreen/Aug	WAG	n	34	12	34	21	33⅝	59	150	31	118	23.2	20.9
Wang Laboratories/June	WANB	a	20	2	6	2	4¼	–23	73	62	145	NM	NM
Warner-Lambert/Dec	WLA	n	82	24	82	51	73	42	134	8	97	20.2	17.4
Washington Mutual/Dec	WAMU	o	27	9	20	9	19¼	15	108	59	142	NM	6.4
Washington Post/Dec	WPO	n	311	128	266	167	225	–13	82	14	102	15.6	17.1
Washington Water/Dec	WWP	n	32	22	31	27	29¾	5	99	0	90	8.6	10.6
Waste Management/Dec	WMX	n	46	10	46	29	37⅝	12	106	8	97	25.3	21.1
Weis Markets/Dec	WMK	n	42	22	34	24	29¾	–1	94	–2	88	15.4	14.4
Wells Fargo/Dec	WFC	n	88	38	86	41	70⅞	1	95	22	110	5.3	6.2
West One Bancorp/Dec	WEST	o	31	14	31	18	27½	17	110	15	103	8.2	7.5
Western Capital Inv/Dec	WECA	o	21	1	7	1	3¼	–49	48	60	143	NM	NM
Westinghouse/Dec	WX	n	39	20	39	22	28⅝	–23	73	0	90	31.5	9.5
Westvaco/Oct	W	n	38	21	32	22	28¾	7	101	8	97	11.8	13.3
Wetterau/Mar	WETT	o	36	16	36	24	28⅝	5	99	–3	87	13.0	11.1
Weyerhaeuser/Dec	WY	n	40	17	28	17	22¾	–9	85	4	93	12.2	15.8
Wheeling Pittsburgh/Dec	WHX	n	55	5	27	5	6½	–63	33	22	109	NA	NA
Whirlpool/Dec	WHR	n	42	18	34	18	26¾	–11	84	14	102	25.7	18.0
Whitman/Dec	WH	n	41	17	29	17	25⅛	–3	91	40	125	NM	14.1
Whitney Holding/Dec	WHDN	o	64	19	42	19	20	–53	44	0	90	NM	NA
Whittaker†/Oct	WKR	n	53	8	15	8	14⅝	52	143	31	118	1.4	9.8
Willamette Inds/Dec	WMTT	o	64	30	55	30	48¼	–11	84	12	101	9.5	12.4
Williams Cos/Dec	WMB	n	45	18	35	23	30¾	–1	94	19	107	19.5	16.1
Wilmington Trust/Dec	WILM	o	46	20	45	30	40½	3	97	1	91	10.7	10.0
Winn-Dixie Stores/June	WIN	n	41	18	41	29	36½	21	114	13	101	18.0	17.2
Wisconsin Energy/Dec	WEC	n	34	21	34	27	33¼	16	110	5	94	12.0	11.2
Witco/Dec	WIT	n	47	22	38	22	35	3	97	13	102	11.9	11.0
Woolworth/Jan	Z	n	37	15	37	23	30½	–3	91	1	91	12.5	10.3
Wm Wrigley Jr/Dec	WWY	n	63	17	63	44	57½	17	110	12	101	19.2	17.5
Xerox/Dec	XRX	n	85	29	59	29	53½	–4	91	51	135	32.2	10.3
Yellow Freight Sys/Dec	YELL	o	43	19	34	19	28½	10	103	8	97	12.3	12.2
Zions Bancorporation/Dec	ZION	o	64	19	38	25	36¼	31	123	14	103	8.2	7.6

*Range is for less than period indicated. †Prices as originally reported adjusted for splits; stock performance includes value of special distributions. NA: Not available or not applicable. NM: Not meaningful. E: Estimate. D-D: Deficit to deficit. D-P: Deficit to profit. Stock prices as of Mar 22, 1991.

net profit margin	latest 12-month EPS	Earnings 1990 EPS	Earnings estimated 1991 EPS	Earnings % change '91 vs '90 EPS	Earnings number of analysts	Earnings confidence factor on estimate	Dividends indicated rate	Dividends yield	Dividends payout	Dividends 5-year growth rate
def	$-6.99	$-6.99	$0.18	D-P	24	very low	$0.20	2.1%	NM	7%
def	-1.65	-1.65	0.11	D-P	1	NM	none	NA	NA	NA
5.6%	4.27	4.27	4.37	2%	17	average	1.64	4.4	38%	7
29.7	1.96	1.96	2.29	17	20	very high	1.32	3.0	67	23
4.2	3.14	3.14	2.79	-11	25	low	1.40	4.6	45	5
8.1	2.31	2.31	2.01	-13	14	low	0.28	1.3	12	NA
4.4	0.65	0.65	NA	NA	NA	NA	0.20	2.1	31	31
8.4	2.42	2.42	2.76	14	4	high	1.20	5.6	50	14
def	-7.41	NA	NA	NA	NA	NA	none	NA	NA	NA
0.7	0.38	0.38	0.75	97	15	very low	none	NA	NA	NA
3.1	1.35	1.35	2.26	67	11	average	1.00	4.2	74	11
def	-0.84	-0.84	0.07	D-P	4	very low	none	NA	NA	NA
0.9	1.28	1.28	1.47	15	7	average	none	NA	NA	NA
10.9	3.10	3.10	2.87	-7	8	average	1.20	3.5	39	11
0.8	0.64	0.64	1.02	59	12	average	none	NA	NA	NA
3.9	1.14	1.14	1.41	24	35	high	0.17	0.5	15	34
2.9	1.45	1.42	1.61	13	19	very high	0.46	1.4	32	13
def	-4.04	-4.35	-0.33	D-D	9	very low	none	NA	NA	NA
10.3	3.61	3.61	4.20	16	38	very high	1.76	2.4	49	18
0.1	-0.26	-0.26	3.00	D-P	10	average	0.48	2.5	NM	15
12.1	14.45	14.45	13.14	-9	13	average	4.20	1.9	29	35
15.8	3.46	3.46	2.80	-19	7	high	2.48	8.3	72	0
11.8	1.49	1.49	1.78	19	39	very high	0.36	1.0	24	26
6.8	1.93	1.93	2.07	7	2	NM	0.64	2.2	33	13
12.2	13.39	13.39	11.37	-15	31	average	4.00	5.6	30	35
9.1	3.34	3.34	3.66	10	10	very high	0.96	3.5	29	4
def	-8.15	-8.15	-2.00	D-D	1	NM	none	NA	NA	NA
2.1	0.91	0.91	3.03	233	27	average	1.40	4.9	154	19
6.6	2.44	2.90	2.16	-26	21	average	1.05	3.7	43	15
0.9	2.21	2.28E	2.59	14	8	high	0.64	2.2	29	8
4.4	1.87	1.87	1.44	-23	27	low	1.20	5.3	64	10
8.5	NA	NA	NA	NA	NA	NA	none	NA	NA	NA
1.1	1.04	1.04	1.49	43	15	low	1.10	4.1	106	1
def	-0.68	-0.68	1.78	D-P	12	average	1.06	4.2	NM	8
def	-2.73	-2.73	NA	NA	NA	NA	none	NA	NA	NA
45.8	10.29	10.30	1.50	-85	1	NM	none	NA	NA	NA
6.8	5.10	5.10	3.90	-24	19	low	1.60	3.3	31	14
4.2	1.58	1.58	1.91	21	19	average	1.40	4.6	89	0
15.7	3.80	3.80	4.05	7	5	average	1.44	3.6	38	33
1.6	2.03	1.93	2.12	10	9	very high	1.08	3.0	53	4
12.9	2.77	2.77	2.96	7	25	very high	1.76	5.3	64	7
4.2	2.95	2.95	3.17	7	9	high	1.72	4.9	58	15
3.2	2.45	2.45	2.97	21	26	average	1.04	3.4	42	20
10.6	2.99	2.99	3.29	10	9	very high	1.62	2.8	54	27
1.4	1.66	1.66	5.21	214	16	average	3.00	5.6	181	0
2.8	2.31	2.31	2.33	1	17	average	0.94	3.3	41	4
7.7	4.45	4.45	4.80	8	3	average	1.44	4.0	32	9

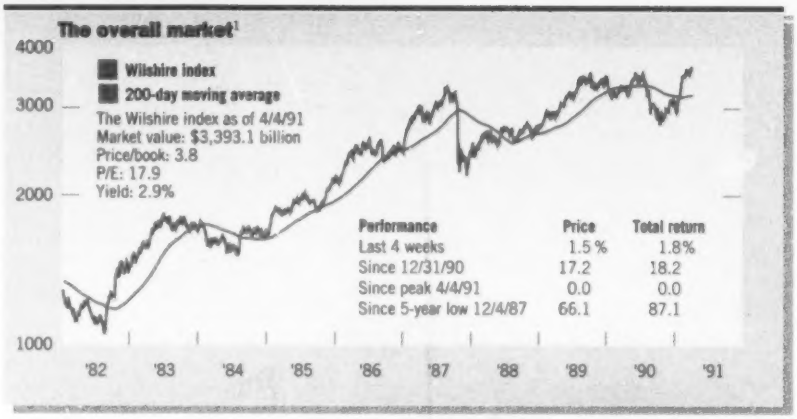
Sources: William O'Neil & Co.; The Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan via Lotus One Source; FORBES.

BY ERIC S. HARDY

Investors looking for a good CD, Treasury security or money fund have been frustrated by the paltry returns offered by the issuers. However, the relatively modest (4%, on average) gain so far this year in utility stocks means investors can still find plenty of quality issues with nice yields and decent capital gains potential.

"The good news on utilities is that they're very safe and attractive investments now that their problems [e.g., nuclear plant construction] are behind them," argues Barry Abramson of Prudential Securities Inc. He especially likes Pacific Gas & Electric and New England Electric. PG&E offers a 6.3% yield and is expected to be a beneficiary of new environmental laws in California, which should increase markets for gas and electricity. Abramson likes New England Electric because it is the lowest-cost producer in the region; moreover, the company's unusual structure means that a federal agency—not Massachusetts regulators—sets many of the company's rates.

Stock market averages posted solid gains during the two weeks ended Apr. 4. Smaller stocks, especially technology issues, are still outperforming the blue chips, a trend that is now several months old. Average daily trading volume on the New York Stock Exchange fell by 30 million shares from February to March.



The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
IVAX	34½	48%	NM	1,070	1.2
Seagate Technology	19⅛	34	12	19,127	1.6
Home Shopping Network	7⅝	30	24	3,980	2.1
Commodore International	20¾	26	17	5,842	1.4
Oracle Systems	11	26	27	24,287	1.4

The worst performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Hercules	33⅞	–18%	17	5,628	4.7
Baroid	6¾	–17	13	2,535	1.1
Legent	34	–14	21	6,097	2.3
Rohm & Haas	39¾	–13	13	1,187	1.3
Enron Oil & Gas	19⅛	–12	32	505	1.0

Closeup on the market

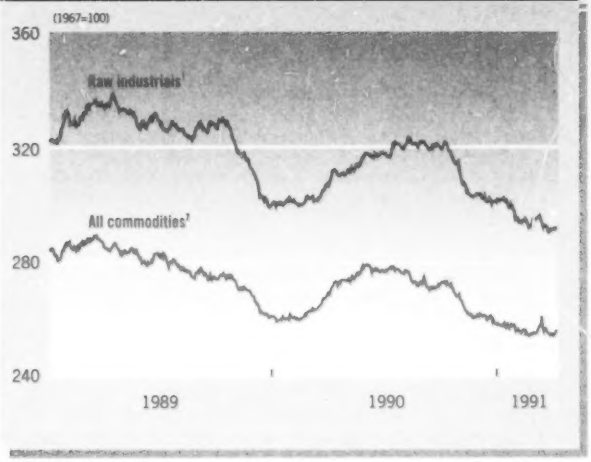
Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3634.6	3.9%
Wilshire index 6,000 stocks, equal weighted	23.7	6.1
Dow Jones industrials 30 stocks, divisor-adjusted price average	2924.5	2.4
S&P 500 Capitalization weighted cross section, major stocks	379.8	3.6
NYSE Capitalization weighted, all listed common stocks	207.7	3.5
Amex Capitalization weighted total return: stocks, warrants	365.1	3.4
Nasdaq Capitalization weighted, all issues except warrants	497.6	7.1
Amex international market index Capitalization weighted, 50 largest ADRs	325.8	1.1
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	880.00	1.4%
Institutional[5] Approximately 200 stocks with high institutional ownership	122.57	4.9
Individual[5] Approximately 200 stocks with low institutional ownership	104.04	4.6
Russell 2000 index 2000 small market value stocks, capitalization weighted	174.63	5.3
Gold[6] (composite quote of 6 major dealers)	$359.00	–1.1
Yen[6] (per $U.S.)	136.00	–0.6
Commodity index[6] (CRB futures index, 1967=100)	220.72	0.4
Oil[6] (W Texas Intermediate)	$20.00	–0.7
T bills[6] (90 days)	5.74%	–11 basis points[7]
Broker loan rate[6]	8.00%	unchanged

Note: All data for periods ending 4/4/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since the index was created. Stocks listed above have market capitalization of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over recent 2-week period. [3]Average daily volume over the last 2 weeks divided by the average daily volume during the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 4/5/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

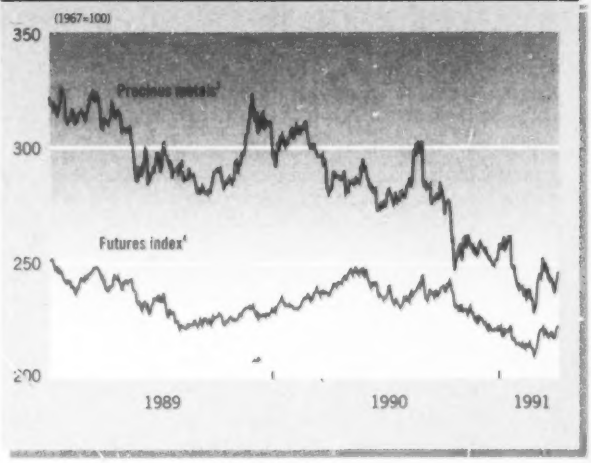
COMMODITIES REVIEW

BY ERIC S. HARDY

CRB Spot indexes



CRB Futures indexes



More good news on the inflation front. Persian Gulf-related aberrations aside, the Commodity Research Bureau's Futures Index—an indicator of traders' expectations of food, energy and basic raw materials prices —has been declining rather steadily for about a year. A rise in industrial commodity prices caused a short-lived rally early in March, but the index is now 8% below its year ago level.

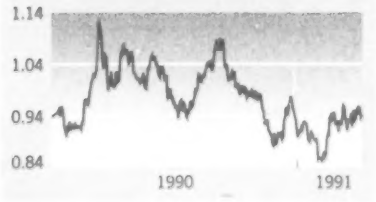
The Department of Agriculture reports a 1.3% decline in its index of crop prices (including both food and nonfood items) since March 1990. The agency expects retail food prices to rise only 2% to 5% in 1991, versus 6% last year.

March was a watershed for the oil markets. Both future and spot market petroleum prices finally stabilized. The closing of a huge refinery in Mexico and reports of significant war-related damage to Kuwait's production facilities might, under normal circumstances, cause the market to rally. Why hasn't it? A report by Bear, Stearns points out that oil companies, expecting a longer war and a less decisive allied victory, augmented their supplies more than usual. A sluggish global economy and a mild winter has also suppressed demand for oil.

Currency traders and investors in financial futures expect interest rates to decline overseas but not necessarily in the U.S. This helps explain why, with the exception of coffee *(see below, left)*, most of the action in commodities and futures these days is in foreign exchange markets, where the dollar continues to advance.

Commodity spotlight

May coffee[5] ($ per pound)



Coffee futures contracts were traded in record volume on Mar. 22, the day after Brazil announced an immediate suspension of new coffee export registrations. The Coffee, Sugar & Cocoa Exchange also reports record trading in coffee options that day. Like many commodities, coffee is in oversupply worldwide. Trading volatility aside, the trend for consumers is positive.

Cash and futures prices

Spot indexes

Index[6]	Value	3-mo change
All commodities	255.59	–1%
Raw industrials	292.00	–3
Metals	266.52	–6
Textiles	257.95	0
Foodstuffs	210.69	1

Futures indexes

Index[6]	Value	3-mo change
CRB index	221.49	0%
Precious metals	246.06	–2
Industrials	234.20	–1
Grains	189.05	10
Livestock & meat	239.77	5

Spot commodity prices

Index	Price	3-mo change
Steel scrap (short ton)	$100.00	–4%
Copper scrap (pound)	0.90	0
Print cloth (sq yard)	0.81	–1
Corn (bushel)	2.51	11
soybean oil (pound)	0.22	3

Futures prices

Index	Price	3-mo change
July platinum (troy oz)	$405.00	–3%
June crude oil (barrel)	19.39	–15
May copper (pound)	1.09	1
May cotton (pound)	0.83	10
May Chi wheat (bushel)	2.89	8

Note: All prices as of 4/3/91. [1]Composed of 13 commodities. [2]Composed of the 13 raw industrial commodities plus 10 foodstuffs. [3] Gold, platinum and silver. [4]Composed of 21 commodities. [5]Prices from 1/2/90 through 4/3/91. [6]Base for spot and futures indexes (1967=100). Source: Knight-Ridder Commodity Research Bureau.

Mike Milken's old crew: Where are they now?

How Ashton-Tate shot itself in the foot

Is the New York Stock Exchange obsolete?

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Cover photo by Ted Morrison; background photo by Jean-Marc Giboux/Gamma-Liaison

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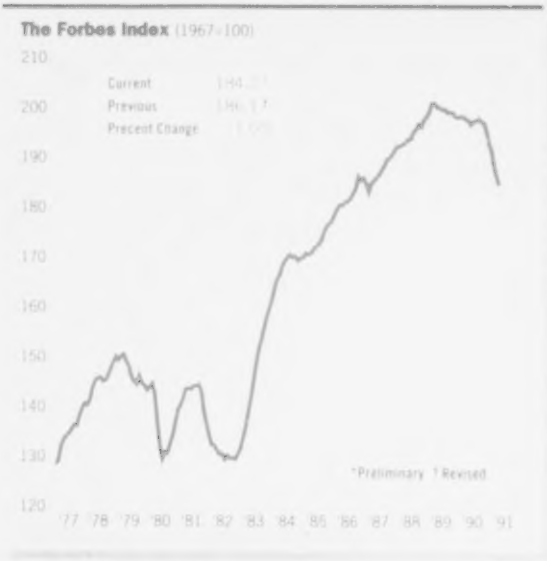
THE FORBES INDEX

BY TIMOTHY DODMAN



The recession may be losing its grip. For the second consecutive month, new housing starts showed a significant increase. Although the March 1991 figure is 32% lower than the March 1990 result, the 74,000 starts in March 1991 is the best this sector has done since last November. (For a look at building stocks, see p. 140.) Another positive sign: a slowdown in new claims for unemployment insurance. Although the average number of new claims in the month of March was the highest since late 1982, new claims were lower in the first week of April.

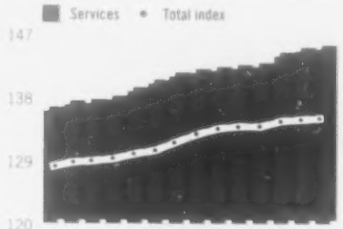
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	9.0%
Auto sales year to date vs 1990[1]	Ward's Automotive	-14.5%
Index of leading indicators Feb vs Jan	Dept of Commerce	1.1%
Trade balance 12 months ended Feb 1991	Dept of Commerce	-$96 bil
All-commodity producer price index Mar vs Feb[2]	Dept of Labor	0.9%
GNP 4th quarter vs. 3rd—annualized growth	Dept of Commerce	1.6%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	4.0%

[1] U.S.-based manufacturers, excludes imports, as of 4/1091. [2] Wholesale goods. [3] February 1991.

Index components

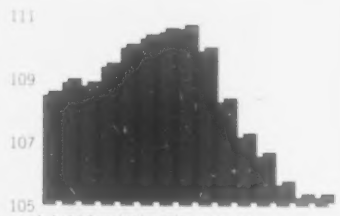
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented here.

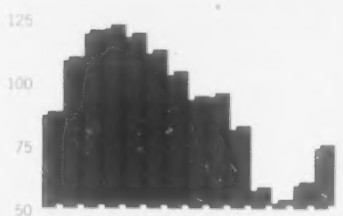


Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

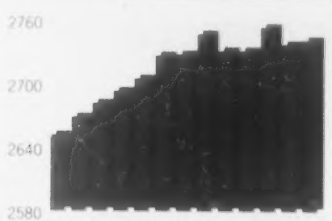
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



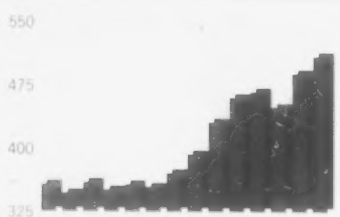
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



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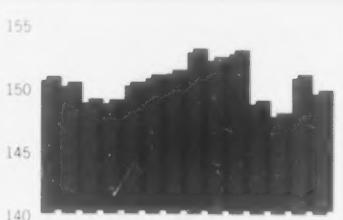
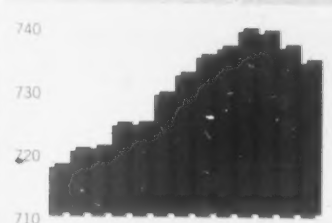


Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

F M A M J J A S O N D J F M F M A M J J A S O N D J F M F M A M J J A S O N D J F M

State and municipal services are deteriorating, even as taxes and budget deficits are rising. So the politicians are finally taking a tough attitude with public employee unions. Or are they?

Collision course

By James Cook

New York City hospital workers saying "no" to cutbacks, givebacks and wage freezes last month.

NEW YORKERS, who over the years had grown accustomed to Governor Mario Cuomo's pandering to public sector employees, were no doubt surprised during this year's budget follies to hear the governor getting tough: The elimination of up to 18,000 state workers, he said, would be necessary to close the state's $6.4 billion deficit. Cuomo even proposed taking away an $800 annual bonus he had given schoolteachers five years ago.

The unions were outraged, of course, and appealed to their friends in the media. The *New York Times* and other area newspapers swarmed with deftly planted stories warning that staff cuts would close the children's petting zoo in Central Park, cut back services to handicapped children and eliminate violin lessons in Harlem public schools. The same media had little to say about featherbedding and payroll-padding.

East of Albany, Connecticut's new governor, perennial friend of labor Lowell Weicker Jr., was also taking a tough line. Within weeks of moving into the governor's mansion in Hartford, Weicker matter-of-factly announced the impending purge of 3,500 state workers. But by mid-April he had persuaded the unions to make concessions in return for reduced job cuts, and won the unions' support for his overall budget.

The vibrations emanating from New York and Connecticut may well be the first tremors of a seismic political confrontation that most people would have deemed unthinkable only a few years ago. Liberal politicians are finally facing the reality that the powerful public service unions are a principal culprit behind swollen public payrolls and deteriorating public services.

Across the country, the number of workers on state payrolls has grown twice as fast as the population at large from 1980 to 1989. The growth rate was 4 times as fast in Illinois, 6 in Massachusetts, 7 in Connecticut and 14 in New York. Nationwide, the number of people on state and local payrolls has risen 55% in the past 20 years, to 15.2 million. Yet services—education, police, sanitation—have gone downhill almost everywhere. The violin lessons Harlem children will lose are not at the top of most people's educational priorities, but why should spending restraints cut into genuine services like these rather than into supervisory bloat? That's the choice the politicians must ultimately confront—between the needs of the public and the demands of the public sector unions.

But isn't the American labor movement dying? Overall union membership is down roughly one-third from its 1975 peak, and labor unions now represent only 16% of the work force, versus a peak of 35% in 1954. But this decline is concentrated in the industrial unions and masks impressive national gains by unions of public employees *(see chart, pp. 82-83)*.

These aren't the same unions that used to get all the national media attention—the Teamsters, the Auto Workers, the Mine Workers. They don't represent the traditional blue-collar workers—hog butchers, toolmakers, stackers of wheat, truck drivers, steelworkers.

These days the labor movement is dominated by unions like the American Federation of State, County & Municipal Employees, the American Federation of Teachers, the Service Employees International and the National Education Association: unions that represent public service workers like teachers, firefighters, transit workers, sanitation workers and clerical workers.

All told, these public service unions have nearly 5 million members, most of them working for—or at least paid by—the taxpayer. These

public sector unions have added 1.2 million new members to their ranks over the past decade, for a gain of over 30%. Roughly 37% of all government employees, federal as well as state and local, now belong to labor unions, as compared with 12% in the private sector. By the year 2000, according to Conference Board labor economist Audrey Freedman, such public sector unions could account for 60% to 70% of all U.S. trade union members.

This is the place to look when seeking answers to the current hot question: Why are state and local deficits mushrooming while the garbage piles up, the streets become less safe and the kids can't read properly?

Nearly 70% of the U.S.' 38 largest labor unions lost members in the Eighties, but nearly a dozen added members in significant numbers, and most of these belonged in the public sector.

Where the private sector struggled during the 1980s to become more efficient, learning to do more with fewer people, state and local bureaucracies went in the other direction: doing less with more people. Inflation has almost nothing to do with the problem. Between 1982 and 1988, for example, the employment cost index for the private sector rose 29%, while the index for state and local government workers climbed 39%. Take the taxpayer-supported State University of New York, nearly all of whose employees are union members. According to a 1990 Arthur Andersen study, salaries have risen 50% since 1983, versus a 29% gain in the New York Consumer Price Index.

In a way this is a relatively new problem. Labor's move into public services is only 30 years old. It was kicked off in 1962 by President John F. Kennedy with an executive order that for the first time mandated the right of federal employees to join unions. Thereafter, all but 11 states afforded similar if qualified recognition to state and municipal employee unions, and the rush was under way.

The organizing fever began spreading out of the cities and into the boondocks. A lot of professional associations—police, firefighters, nurses, educators—converted themselves into bargaining agencies, and union membership in the government sector virtually exploded. The American Federation of Teachers went from 59,000 members in 1960 to 750,000 in 1990 and the National Education Association from 714,000 to 2 million. The State, County & Municipal Employees went from 185,000 to 1.25 million, the Service Employees from 260,000 to 925,000.

In their negotiations with public sector administrators, the organizers encountered nothing like the resistance they were used to in the private sector. "In the public sector, bargaining is much more political," says the Conference Board's Freedman. "There's no competition, no countervailing force, as there is in private industry. Industry has to compete with other producers, and government does not."

But while they were free from the constraints suffered by industrial unions, the public service unions had in their bag all the weapons unions traditionally employed to gain their ends. Albert Shanker, now head of the American Federation of Teachers, went to jail twice for demonstrating that whatever the law said, you could not deny the right to strike to employees who insisted on striking anyway. When Shanker pulled 5,000 New York City public school teachers out during his first strike in 1962, what was Mayor Robert Wagner to do—hire replacements? There weren't enough qualified teachers available as it was. Result: The teachers got $32 million added to their contract, while New

Sources: AFL-CIO; Bureau of National Affairs Directory of U.S. Labor Organizations; union data: Leo Troy, Rutgers University (Teamsters percent change number)

Yorkers got an additional drain on their tax revenues. Wagner is long gone, but the tax drain stayed and grew.

The public might have swallowed all this had the schools done their job properly, but clearly they have not. Even though teachers' wages have been climbing, as Albert Shanker never hesitates to point out, public school teachers are now drawn from the lower ranks of college graduates because of the relatively low pay and the perceived lower status of the job.

The New York experience rippled across the country. "Once we negotiated our first contract," Shanker recalls, "teachers elsewhere started saying, 'Well, if it's legal in New York, why can't we do it?' Our success suggests to me that many more workers in private industry would unionize if employers were neutral."

Public school teachers, once thought to be immune to union organization, are now one of the most highly unionized parts of the work force. Today over 80% of the U.S.' 2.5 million public school teachers are enrolled in one union or the other. Teachers now account for nearly a third of unionized government workers and over 10% of all unionized workers in the U.S.

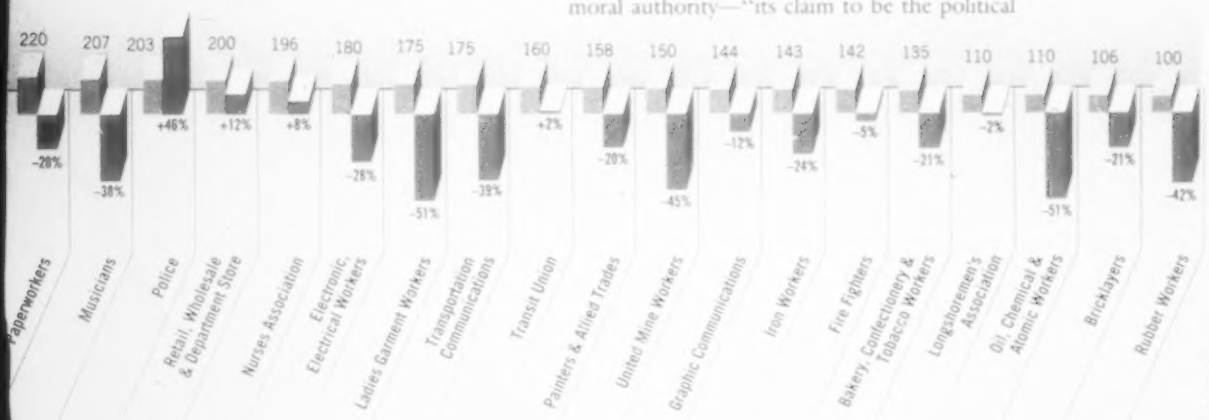
The teachers made some of the sharpest gains in the labor movement. Average salaries almost doubled in the 1980s, versus a 70% increase in the private sector.

And the unions got the teachers more than higher wages. Says National Education Association President Keith Geiger: "When we began getting decent salaries, we got more men into teaching, more women who were the sole breadwinners in their families and more people who weren't satisfied being told what to do and wanted to be part of the decision making." They wanted, among other things, to shape the curriculum, set the admission qualifications for the profession and gain an economic status commensurate with their intellectual pretensions.

Albert Shanker, American Federation of Teachers head. **He helped make teachers one of the most highly unionized labor groups.**

Not that public service employees didn't have plenty of legitimate complaints when the unionization process started. Grievances were rife throughout the public sector. Hospital workers were notoriously ill paid, for example, as were public bus drivers. And women, who make up a large proportion of public sector workers, on average earn only 60% of what men do.

To organize the public sector, the unions first targeted the underprivileged workers—the overworked and the underpaid, the people who emptied bedpans, pushed food carts, cleaned offices, dumped trash. After decades of decadence and corruption, the labor movement found in the public sector an opportunity to reassert what Peter Drucker once called its moral authority—"its claim to be the political



National Education Association head Keith Geiger at a first-grade class in Arlington, Va.

Teachers' wages almost doubled in the 1980s, versus a 70% rise for the private sector.

conscience of a modern secular society."

But the unions did not stop there. Once the more skilled public servants saw what the unions could do, they began joining up. Local 1199 of New York City's 100,000-member Drug, Hospital & Health Care Employees Union started out organizing drugstores and moved on into hospitals and health care *(see box, opposite)*. The Service Employees started out in building services—janitors, elevator operators—and moved on into both public and health care sectors. So did unions like the Food & Commercial Workers and the Operating Engineers.

Now that more than 80% of the nation's public school teachers are organized, the American Federation of Teachers is spreading its net to include state and municipal employees. Its competitor, the National Education Association, is going after the nonteaching employees of the public school system—the bus drivers, the cooks, the custodians. The National Education Association's Keith Geiger estimates there are around 2.5 million nonteaching public school workers, few of them organized by anyone.

Gerald McEntee's union, the 1.25-million-member State, County & Municipal Employees, is going after the nation's private and nonprofit hospital and health care workers. "Nine million of them, the biggest reservoir of untouched, unorganized workers in America," says McEntee. "We're spending half our $70 million budget organizing the unorganized workers. It's the right thing to do, and it's the right thing for us to do institutionally. If we don't grow, we're going to go down."

If fair wages were the only issue, the public would have scant cause to complain. The real problem is that the unions do not stop there. As McEntee makes clear, his concerns are not with the efficiency and effectiveness of the public institutions. That's for the taxpayer to worry about—but the taxpayer, unlike the consumer of other goods and services, cannot take his business elsewhere.

Thus the unions have moved from demanding better wages to getting control of the workplace itself. Under these circumstances, supervisory staffs grow and proliferate, while the number of people teaching, patrolling or nursing stays stagnant or actually declines. In the last two decades, for instance, the ratio of students to staff members in the nation's elementary and secondary schools has dropped from around 13 to nearly 9.

"We have struck a delicate balance," the National Education Association's Geiger says, "between bargaining for salaries, members' rights and working conditions, and being on the leading edge of educational reform and improving education for the youngsters." High-sounding words, but somewhat hollow, given the U.S.' discouraging test scores and widespread functional illiteracy.

Despite the increasing dominance of the teachers' unions and the concomitant decline in educational performance over the last 30 years, the unions belligerently deny that there is any sort of causal relationship. Teachers are articulate people and, not surprisingly, their union leaders have articulate responses to this kind of argument. "I would never challenge a doctor on how he should run his or her profession," Keith Geiger says, criticizing his critics. "But anybody with a third-grade education is an expert on education. The U.S. doesn't have an education problem. It has a societal problem, of which education is a big part." The trouble with that argument is the teachers keep demanding more money for education to solve a problem whose solution they say lies elsewhere.

Geiger argues that the teachers should be given greater authority to decide how money committed to education is spent. And this is the issue that divides unions and school boards from coast to coast. And with good reason.

Because putting the teachers in charge of the educational system may be akin to putting the hens in charge of the henhouse. The hens inevitably begin complaining about the lights that drive them to lay eggs all night long, begin agitating for more comfortable nests and less crowded working conditions. Soon the hens or their spokeshens make pointed comparisons with conditions in the turkey, dairy and beef

industries. The result is likely to be a much more comfortable life for the hens, but a decisive drop in egg production. In the end, putting the hens in control may be even worse than installing the proverbial fox.

Do you think that analogy is preposterous? Then look at New York City's public school custodians. Organized by the Operating Engineers, the city's 1,000 or so custodians are in effect both government employees and independent contractors who provide maintenance services for the schools. They're given a budget from the city and, within the limits of the contract, dispose of it pretty much as they see fit. They put themselves well—$57,000 a year on average—46% more than the average New York City teacher. On top of this they hire their own maintenance workers—often wives, relatives and friends—and maintain the schools on terms negotiated with the Board of Education. Under these stipulations, the custodians must sweep the floors every other day, mop the cafeteria once a week and scrub the floors three times a year. The results, critics say, are predictable. The schools are often run for the benefit of the custodians rather than the children or the community, and many if not most schools are less well tended than the average henhouse.

Common cause

DENNIS RIVERA, head of New York's 100,000-member Drug, Hospital & Health Care Employees Local 1199, is just about the hottest thing in the labor movement these days. He's slight, dapper, with raven hair, a pencil moustache and a bovish manner. Rivera, 40, has turned 1199 into one of the most exemplary and ambitious outfits in the movement. Both the State, County & Municipal and Service Employees International would like 1199 to join them. It's not only 1199's members they covet; the two unions also want Rivera's talents to advance their own ambitions in health care.

Rivera has the political touch a labor leader needs. He long ago formed common cause with Jesse Jackson, helped get David Dinkins elected mayor, and counts New York's Cardinal O'Connor among his supporters.

When Rivera threatened to strike New York's voluntary hospitals in 1989, O'Connor came in on his side. "The Cardinal said, 'Dennis, I have told my negotiators to be as generous as possible and to give you as much as they can.'" With the Catholic hospitals on board, Rivera splintered the rest of the industry and won a wage increase most hospitals had argued they couldn't afford.

Rivera helped finance a third of the increase by suspending payments into the union's pension fund. He risked little with this. The fund has $2.3 billion in assets but paid out only about $45 million in 1990. It just keeps growing. "I have from 10% to 14% turnover in my membership every year," he says, "people who pay into the fund but don't stick around."

Rivera also promised to lobby the state for more aid and won an extra $1.5 billion, thus ratcheting up New York's budget deficit several additional notches. "We can assist the hospitals in getting funding," he says. "The more a hospital depends on government financing, the better our relationship. The more financially independent they are, the less they need us."

Rivera's organizing skills dazzle his opponents. He relates how at one hospital he got a list of every employee and had his leaders visit each one's home to pick up the cards that would authorize an election. They wound up with 250 out of 400. He has just hired ten new organizers, and dreams of expanding upstate, where he thinks there are 225,000 workers unorganized.

Rivera is the son of an Irish-American businessman, Dennis Hickey, who went to Puerto Rico after World War II, set up a nonunion textile plant in the outback and married a local woman. Son Dennis got into politics at the University of Puerto Rico, ran demonstrations against the Vietnam War and wound up a labor organizer—first in Puerto Rico, then in New York. He took his mother's maiden name. That hasn't hurt his standing with his constituency's many Spanish speakers. With touches like this and keeping his salary low—$42,000 last year—Rivera shows his members he hasn't lost the common touch. He blames the decline of the industrial unions on their leaders' failure to stay in touch with their members. "When you make $296,000 a year, as one leader does in this city, you have more in common with the employers than you have with the members." —J.C.

Dennis Rivera of New York's Local 1199
His union still has a passion for organizing the exploited and underprivileged.

State, County & Municipal Employees head Gerald McEntee **He wants a voice for the unions in setting fiscal priorities.**

So, why didn't elected officials, who are supposed to represent the taxpayers, put a stop to escalating union demands? In large part because when they do and the unions strike, the taxpayers don't support the politicians. Last fall New York City's chief labor negotiator, alarmed at the prospect of a general strike, worked out a magnanimous 5.5% wage increase with the city's powerful 85,000-member teachers' union. This with the city on the verge of bankruptcy.

In January, with a $3 billion budget gap in prospect through fiscal 1992, New York Mayor David Dinkins announced he would have to lay off some 16,600 city workers, including 3,500 teachers. The media then reported that the teachers understood the city's cash squeeze and, in return for no layoffs in the current school year, had agreed to help out by deferring roughly 1.5 points of the wage increase for five years.

In fact, the teachers gave up less than they seemed to. The forgone wages were deferred, not eliminated, and the teachers will be paid 9% interest on a portion of the amount deferred. They also got a vacation in February, better retirement provisions and various nonwage benefits they'd been seeking for some time.

That's New York City. But the same situation prevails in most school boards. And the teachers' demands and tactics differ little from those of the firefighters, sanitation workers, police, hospital workers and millions of other organized public employees.

Is there no limit? We are in the process of finding out.

You can't get money from a stone, or from a bankrupt city. But the unions are trying. While an airline can be driven out of business by its unions, as Eastern was, a city must stumble along, even at the price of progressive decay of infrastructure and services. Let future politicians and voters worry about the bridges and tunnels. The unions understand this and can be counted on to exploit any opportunity that opens for them. What money there is will go to them.

Until recently, such problems may have seemed limited to big cities like New York. But as the recession has reduced public revenues everywhere in the country, government after government is beginning to discover how greatly the public sector unions threaten the fiscal integrity of state and local government.

Thus prodded by voters who threaten to toss them from office if taxes rise any more, the politicians are finally talking tough—and the unions are talking tough right back. "You go right up the East Coast," complains State, County & Municipal Employees' head Gerry McEntee. "All Democrats, all people we support politically, and what's happening? Cutbacks, givebacks, layoffs and no wage increases. We didn't have anything to do with the management of the state or the financial underpinnings, and we're the first people to be cut when there's any kind of pinch."

McEntee would like to change that. "We want to get involved in what happens to our pension money, how they work out the bond ratings. We want to get involved in making decisions in terms of tax base, in terms of priorities. We want to play a larger role in the formation of public policy, the formation of national policy, as it affects our people."

Analyze that statement: McEntee is demanding direct political power for the public service unions. It was this sort of drive for power by the Labour Party and the unions that then controlled it that brought the U.K. to the verge of economic and social bankruptcy. Twelve years of counterrevolution under Tory governments have only partly undone the damage.

A confrontation looms here. It is between the taxpayer, the ordinary citizen, and some very powerful unions. Liberal though he is, New York's Mario Cuomo has recognized this and has tilted, however tentatively, toward the public's interest. It remains to be seen whether he will stand up to union fury.

Higher taxes will not solve this problem; voters are telling their officials that taxes are already too high. Nor is cutting wages the solution. Rather the governments must stop being patsies for further unreasonable wage demands. Most important of all, the local governments must regain control of the functions that they have so blithely ceded to public service unions in the last 30 years and put a stop to the wasteful and inefficient work practices that are destroying public services in the U.S. ■

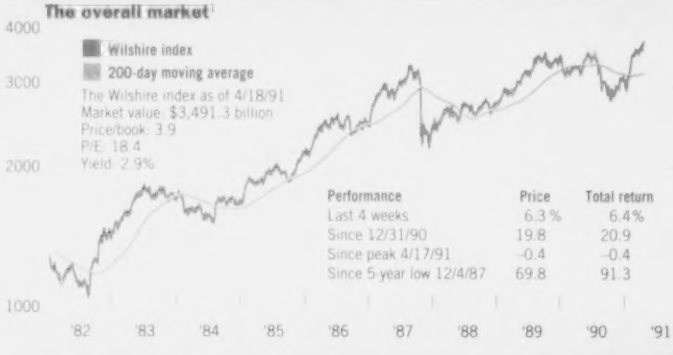
THE FORBES WALL STREET REVIEW

BY ERIC S. HARDY

An important barrier—albeit only a psychological one—was broken when the Dow industrials finally closed above 3000 in mid April. This index has nevertheless been underperforming the broad market for some time. The Wilshire index of 6,000 stocks, for instance, is up 20% so far this year, versus only 14% for the Dow.

Although the market has been bullish, a disappointing earnings report can still cause significant and swift declines in prices for individual issues. Apple Computer shares lost more than 10 points—15% of their value—during the latest two weeks, on relatively weak earnings. But companies in mature industries may be less susceptible to nasty surprises if their earnings don't meet expectations. Equipment manufacturers Parker Hannifin Corp. and Trinova Corp., for instance, recently reported lower than anticipated earnings, but their stock prices rallied on the news. Merrill Lynch's Alexander Blanton, who follows the heavy equipment manufacturing companies, is looking for a sharp upturn for this industry as soon as this summer. "The prospects for capital spending haven't been this good in the last ten years," he says. This is in large part because of the necessity—worldwide—of rebuilding infrastructure. Thus, Blanton thinks companies like Caterpillar and Deere are undervalued.

The overall market[1]



Performance	Price	Total return
Last 4 weeks	6.3%	6.4%
Since 12/31/90	19.8	20.9
Since peak 4/17/91	-0.4	-0.4
Since 5-year low 12/4/87	69.8	91.3

The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Cisco Systems	32¼	26%	37	8,705	0.8
Advanced Micro Devices	13⅞	25	NM	18,415	1.8
20th Century Industries	49¼	23	13	824	0.9
Hasbro	29½	22	19	2,187	1.4
Cypress Semiconductor	23⅜	22	27	2,785	1.2

The worst performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Seagate Technology	13⅝	-29%	9	21,484	1.6
Bank of Boston	8¾	-18	NM	8,366	1.4
FHP	23¼	-17	21	1,970	0.6
Topps	14¾	-17	13	7,931	3.7
Dell Computer	25¼	-15	19	6,297	1.1

Closeup on the market

Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,715.8	2.2%
Wilshire index 6,000 stocks, equal weighted	24.4	3.5
Dow Jones industrials 30 stocks, divisor adjusted price average	2,999.3	2.6
S&P 500 Capitalization weighted cross section, major stocks	388.5	2.3
NYSE Capitalization weighted, all listed common stocks	212.3	2.2
Amex Capitalization weighted total return: stocks, warrants	373.4	2.3
Nasdaq Capitalization weighted, all issues except warrants	506.6	1.8
Amex international market index Capitalization weighted, 50 largest ADRs	324.0	0.6
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	880.70	0.1%
Institutional[5] Approximately 200 stocks with high institutional ownership	125.98	2.8
Individual[5] Approximately 200 stocks with low institutional ownership	104.39	0.3
Russell 2000 index 2000 small market value stocks, capitalization weighted	177.58	1.7
Gold[6] (composite quote of 6 major dealers)	$357.80	-0.3
Yen[6] (per $U.S.)	137.75	1.3
Commodity index[6] (CRB futures index, 1967=100)	218.04	-1.2
Oil[6] (W. Texas Intermediate)	$21.10	5.5
T bills[6] (90 days)	5.70%	-4 basis points[7]
Broker loan rate[6]	7.50%	-50 basis points[7]

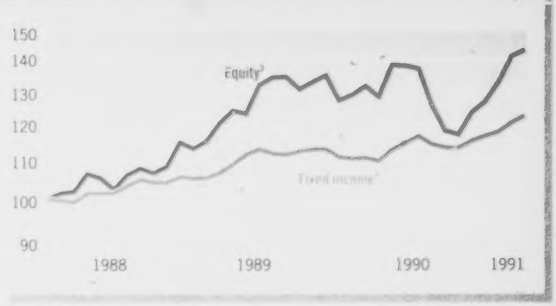
Note: All data for periods ending 4/18/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since the index was created. Stocks listed above have market capitalization of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over recent 2 week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume during the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 4/19/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one hundredth of a percentage point. NM: Not meaningful.

MUTUAL FUND REVIEW

BY TIKA RUSSO McCARTHY

Sales

Performance



Data from the Investment Company Institute show that net sales (new purchases and reinvested dividends, less redemptions) of equity funds collapsed last August. However, by September fund investors were coming back into the market. Since bottoming last October, FORBES' performance indexes of the largest equity and fixed income funds have improved steadily.

The latest market cycle (one down period, one up period) for equity funds runs from August 1987 to March 1991. During this cycle the S&P 500 had an average annualized return of 7.4% versus 5.5% for the Forbes index of the 25 largest equity funds. Some of the best results came from smaller, sector funds. Fidelity Select-Health Care, with $373 million in assets, dedicated to the red-hot medical sector, posted an average annual total return over the cycle of 22%. Bergstrom Capital, which has 30% of its portfolio in health care, had a 20.8% average return.

Our list of the worst-performing funds is dominated by gold and precious metals funds. According to James Nevler of the Commodity Research Bureau, investors worried about inflation can now buy Swiss francs and hard-currency-based securities, which pay interest and dividends. Devoid of psychological support, gold prices, Nevler concludes, are determined by supply and demand.

Junk bond funds recently staged a modest rally, but redemptions have overwhelmed funds such as Dean Witter High Yield Securities. In a little over a year its assets dropped from $1.1 billion to $361 million.

The best performers

Fund	Forbes rating up	Forbes rating down	Cycle[6] return	Assets[7] ($mil)
Equity funds[5]				
Fidelity Select-Health Care	A+	D	22.0%	$373
Bergstrom Capital	A	A	20.8	73
20th Century Ultra Investors	A+	F	19.9	458
Berger One Hundred	A	D	18.9	15
Putnam Health Sciences Trust	A	D	18.7	376
Janus Fund	B	A	18.7	1,156
Fidelity Growth	A	D	17.0	602
Fidelity Select-Utilities	D	A	16.5	167
Fidelity Contrafund	A	D	16.2	332
Hartwell Emerging Growth	A+	F	15.2	25
Bond funds				
Lincoln National Income	C	A+	16.6	68
Transamerica Income Shares	A+	D	16.0	119
FPA New Income Fund	C	B	15.9	38
Mutual of Omaha Intrest Shares	A	C	15.0	95
Federated GNMA Trust	B	C	14.6	1,279

The worst performers

Fund	Forbes rating up	Forbes rating down	Cycle[6] return	Assets[7] ($mil)
Equity funds[5]				
Strategic Investments Fund	F	F	-28.0%	$38
ASA Limited	D	D	-21.8	552
United Services-Gold Shares	D	D	-20.5	263
Engex	C	F	-15.9	12
United Services-Global Resources	D	D	-15.8	28
Fidelity Select-Precious Metals & Mins	D	C	-15.7	189
Bull & Bear Gold Investors	D	D	-15.6	35
Keystone Precious Metals	D	D	-15.3	153
Van Eck International Investors	D	D	-13.4	611
Lexington Goldfund	D	B	-12.8	106
Bond funds				
Dean Witter High Yield Securities	F	B	-8.4	312
Keystone Custodian B-4	D	A	-4.0	532
Aim High Yield Securities	F	A	-2.4	33
National Bond Fund	D	D	-2.3	286
Venture Income Plus	F	A+	-1.5	20

Note: To be rated, equity funds must be in existence since 6/30/83; bond funds, 4/30/83. [1]Monthly net sales of open-end funds. Net sales are purchases by investors, including reinvested dividends, less redemptions. [2]Includes tax-free and foreign bond funds. Source: Investment Co. Institute. [3]Index of total return for the 25 largest stock funds in 1986. [4]Index of total return for the 25 largest taxable bond funds in 1986. [5]Includes balanced funds. [6]Total return (annualized), for one market cycle: equity, 8/31/87 to 3/31/91; bonds, 8/31/86 to 3/31/91. [7]As of 12/31/90.

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May 27, 1991 Four Dollars

Forbes

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Steve Ross made $78 million last year. He's in the entertainment business.

Jack Welch made a 16th of that. He runs a highly complex high-tech company.

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Forbes

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Making polluters pay

SIR: FORBES reported that left-leaning environmentalists are transforming their policy prescriptions from command and control regulation to making polluters pay ("Shaking the invisible hand," *Apr. 1*). Pollution is analogous to trespassing. Enforcing property rights is a better means to protect the environment than imposing pollution taxes. Requiring polluters to acquire the consent of the owners of the property they damage would also make polluters pay. But unlike a tax, the amount would be chosen to suit each particular circumstance, and the payment would go to the victim of the pollution.
–DAVID W. CRAWFORD
Visiting Fellow
The Competitive Enterprise Institute
Washington, D.C.

Agents respond

SIR: Re your cover story "Be careful when you buy from Gerry Tsai" *(Apr. 15)*. As a former general agent for one of the insurance groups under Sandy Weill's control, I have experienced firsthand his shortsighted axe in an area he knows little about. There is something to be said for diversification; however, there is most certainly something to be said for staying with the business you know best.
–THOMAS E. STANEK
Vice President
National CU Services Inc.
Madison, Wis.

Primerica's Sandy Weill

SIR: Our company is enjoying record success. Every single hour our people, in my office alone, replace ridiculously small policies with term insurance sufficient to assure financial stability and dignity to the family's survivors. Why must you show only negative points to the exclusion of the enormous good our company does on a daily basis? Cancel my subscription.
–VERN LACROSSE
National Sales Director
A.L. Williams
Windham, N.H.

A money master still

SIR: Has John Templeton "lost his touch" ("Templeton falls off the mountain," *Apr. 15*)? He prospered by investing in Japan and leaving early. The media speculated he had "lost his touch" as that market continued higher. Then the Japanese market crashed. Recently, he quietly told anyone (willing to listen) that small American companies were the greatest values in the world. The near panic buying in those shares during early 1991 produced phenomenal gains in the Templeton Funds he recommended. Bet against Sir John if you want. Not this guy.
–GARY MOORE
Senior Vice President
PaineWebber Inc.
Tampa, Fla.

Star wars

SIR: Come now. One well-executed campaign does not a five-star general make, let alone a six *(Fact and Comment, Apr. 1)*. Our opponent this time was a third-rate country of 17 million people weary of an eight-year losing war, with inferior technology and the accumulated handicaps produced by life under an amoral despot.
–J.D. DEBBINK
Ann Arbor, Mich.

The meaning of success?

SIR: Re "Did Mickey shaft Kermit?" *(Apr. 29)*. The last line, "Once again, Disney's Michael Eisner wins big," reminds me of a maxim—in effect, that success in wrongdoing is failure.
–ROSE P. ADDY
West Palm Beach, Fla.

Not so fast

SIR: Re Side Lines *(Apr. 15)*. The nirvana that is supposed to break out by the economic unification of Europe is not scheduled for Jan. 1, 1992 but 1993. It is true that the politicians keep talking about 1992 because the wait seems shorter, but they mean Dec. 31 of that year.
–HERMAN BALIG
Rotheux, Belgium

Wrong number

SIR: Your Annual Directory of America's Largest Corporations *(Apr. 29)* reported erroneous sales figures for Medtronic.
–DICK REID
Corporate Public Relations
Medtronic, Inc.
Minneapolis, Minn.

The correct revenue figure for Medtronic is $976.7 million. Our recalculated sales per employee figure is $149,400.—ED.

Prediction

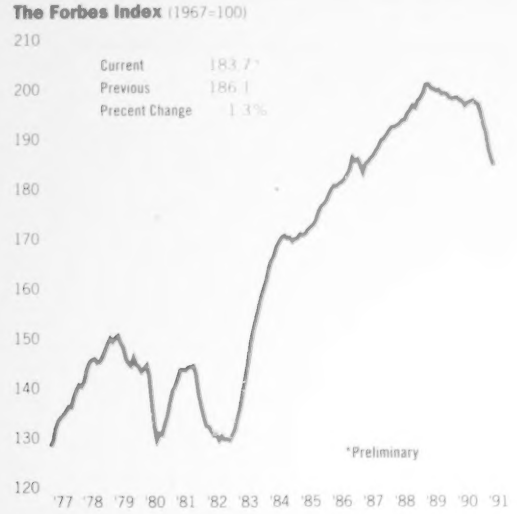
SIR: Re "Divestiture revisited" *(Mar. 18)*, on competition coming to the local telephone monopoly. Our recent study concluded that by 1995 not only will the 22 largest cities in the U.S. have fiber-optic networks in their downtown business districts competing with the local telephone company but, in almost half these cities, there will be two such networks.
–R.G. TOMLINSON
President
Connecticut Research Report
Glastonbury, Conn.

Crossed wires?

SIR: In describing whether COMSAT might consider investing in direct broadcast satellites, I told FORBES there had been a miscommunication. I fear that the way the article *(Faces behind the figures, Apr. 15)* is written readers may incorrectly interpret it to mean there was a miscommunication between Bob Wussler and me. That was certainly not the case.
–IRVING GOLDSTEIN
Chairman
Communications Satellite Corp.
Washington, D.C.

THE FORBES INDEX

BY TIMOTHY DODMAN



At last, some good news. Consumer spending rose 0.6% in March, following a revised 1% gain in February. The April spending figure—due May 30—bears watching. Another positive sign is the drop in interest rates. The prime rate charged by many of the largest banks is now down to 8.5%. Declining adjustable rate mortgages should free additional spending money in the future. And the employment picture, though still pretty grim, shows signs of improving. The unemployment rate unexpectedly dropped to 6.6% in April, the first decline in 11 months.

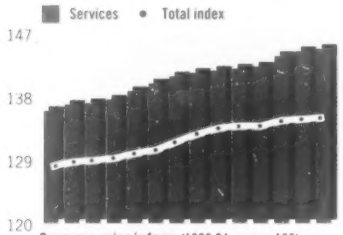
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-14.4%
Index of leading indicators Mar vs Feb	Dept of Commerce	0.5%
Trade balance 12 months ended Feb 1991	Dept of Commerce	-$96 bil
All-commodity producer price index Mar vs Feb[2]	Dept of Labor	-0.9%
GNP 1st quarter vs. 4th—annualized growth	Dept of Commerce	-1.6%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	3.0%

[1] U.S. based manufacturers, excludes imports, as of 4/20/91. [2] Wholesale goods. [3] March 1991

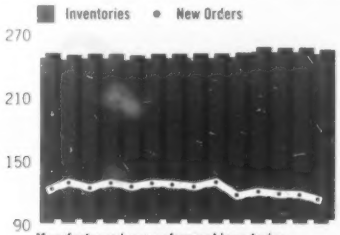
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

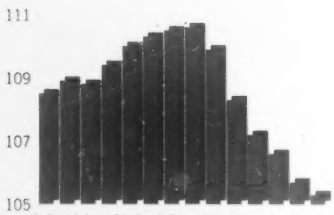
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



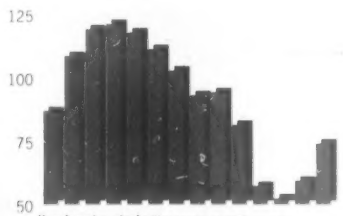
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)



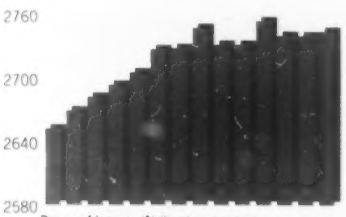
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



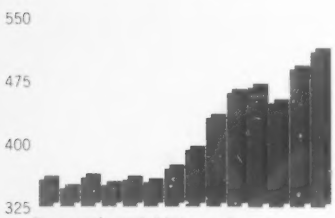
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



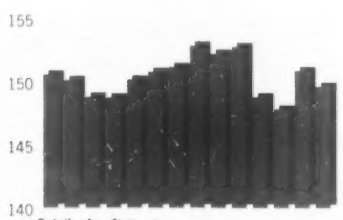
New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



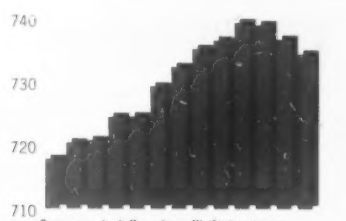
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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In many ways, professional baseball is socialistic. Privatizing the game may be the only way to save it.

Major league socialism

By Norm Alster

IMAGINE AN INDUSTRY where employers surrender the right to set the salaries of workers with three or more years, of service. Imagine salaries jumping more than 2,000% over 20 years to a point where one in three employees now earns $1 million or more a year. Now imagine that only a handful of enterprises in this industry are prospering, with an ever-growing number running in the red. Finally, imagine a system where the rules are changed again and again to penalize the successful competitors in hopes that the weaker enterprises can stay in business.

Commissioner Fay Vincent and multimillionaire Darryl Strawberry **Television losses: a cloud on the horizon.**

The industry we're talking about is, of course, major league baseball, an enterprise that has much in common with socialist bureaucracy.

Everyone knows that players' salaries threaten to destroy the game. In 1970 the average major league baseball salary was $28,000. Last year it was $580,000. In 1991 more than 220 ballplayers will be earning $1 million or more, and at least 32 players will earn $3 million or more *(see table, p. 146)*. Top take? Slender slugger Darryl Strawberry will make $3.8 million this year playing for the Los Angeles Dodgers.

The players and their agents (who typically get 5% of those salaries) argue that the players are entertainers, and should be paid like television stars. Indeed, gains in revenue from television contracts and from rising attendance have allowed some teams to prosper and others, like the Minnesota Twins, to hang on. Even so, says Major League Baseball Commissioner Fay Vincent, "8 to 10" of the 26 major league clubs lost money last season.

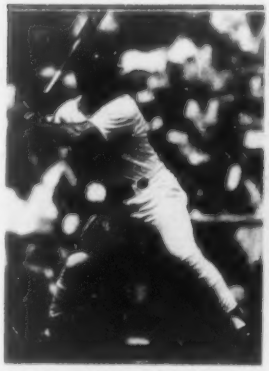
"In my judgment baseball is going to have a very severe time," predicts Houston Astros owner John McMullen, who is trying to sell his team (asking price: more than $95 million). "People are going to be surprised at the losses that are taken. An extraordinary amount will be lost."

The men who own the teams are invariably successful business people. Why can't they run their teams with the same skill with which they manage their other interests? Because in baseball, observes John Harrington, president of the company that controls the Boston Red Sox, the owners find "the whole environment is so restrictive, and their power is so limited."

Consider the insidious process of salary arbitration. Once a player has accumulated three years of service with a team, he can demand that his salary be set through a process of binding arbitration to which the owners must submit. "It's a nightmare," says the Astros' McMullen. "The players can't lose."

In arbitration, the club makes a specific dollar offer, and the player makes a specific demand. The arbitrator must choose one figure or the other; nothing in between, and noth-

How to get rich in baseball without really succeeding



Pete Incaviglia and Wally Joyner
Joyner's pay rises as his productivity falls; Incaviglia is priced out of a Ranger uniform.

CALIFORNIA Angels' first baseman Wally Joyner got off to a good start as a major leaguer and was earning a respectable salary of $340,000 after two seasons. Joyner's performance has fallen off precipitously since then: After hitting 56 homers his first two years he's managed a total of just 37 in his last three. No matter. Joyner's salary this year will be $2.1 million. Only in baseball can a player sextuple his salary despite steadily declining productivity.

Joyner's pay is the result of the salary arbitration process that puts the players in a can't-lose position in their negotiations with team owners. When players like Joyner get a big raise, the stage is set for another player to demand even more. And movement is in only one direction because, in another one of those anachronistic baseball regulations, clubs are forbidden to cut a player's salary by more than 20% a year or 30% in two years—although owners can, of course, drop a player altogether.

Many clubs fear the arbitration process so much they "acquiesce and accommodate" the player to sign him without a hearing, says Tal Smith, who represents owners in arbitration hearings. Thus, players eligible for arbitration who come to terms with their teams before a hearing win raises that average a mere 77%.

Teams are also reluctant to offend players with cuts or meager raise offers. "There are very few cuts that are tendered," says Smith. "I personally think that's a mistake."

It used to be unheard of for a talented young player to be released by his team, but the Kansas City Royals dropped an injured Bo Jackson this year, and the practice of dumping overpaid underachievers could catch on.

Consider Pete Incaviglia. Coming off a season in which he hit a pallid .233, the 27-year-old Texas Ranger outfielder demanded $2.1 million in arbitration. Before his hearing came up, he settled with the Rangers for $1.7 million. But just before the season started, the Rangers released him. Incaviglia now makes a reported $500,000 with the Detroit Tigers—perhaps a sign that players have begun to price themselves out of their jobs. –N.A.

ing outside the owner-player bid-ask spread. The owners generally offer relatively high amounts, on the grounds that they don't want their bids dismissed out of hand. Last year the average raise when the player won in arbitration was 141%. When the team won, the average raise was still 110%. And each lavish arbitration award becomes precedent for the next hearing *(see box, above)*.

What about those juicy broadcast rights fees the teams charge? National TV contracts were worth $350 million last year. But both CBS and ESPN lost money on the deal. CBS reportedly asked for a rebate, which Fay Vincent has thus far resisted. Vincent acknowledges that network losses represent "a definite cloud on the horizon" of franchise revenues and, therefore, values.

The value of existing franchises already appears to be headed downward. Last year the San Diego Padres were sold for an estimated $75 million—slightly less than the Seattle Mariners had fetched the year before—yet San Diego has generally fielded better teams in front of much bigger crowds than Seattle draws. Twins owner Carl Pohlad sees the Seattle sale as "the peak" leading to a "definite trend downwards" that could trim franchise values by as much as 20%.

More ominous still: The teams that are suffering the most financially—teams in smaller cities—are pushing for new rules and regulations that could actually make things worse. These changes generally involve putting more spending restraints on the wealthier franchises, like those in New York, Los Angeles, Chicago and Boston. But a good measure of baseball's current problems derive from just such efforts to help weak teams by penalizing strong teams.

As seen by owners of teams in smaller cities, the problem is that clubs in New York, Los Angeles and Chicago have much greater revenues. Chiefly, this is because the bigger teams receive more from local broadcast rights. The Yankees, for example, get around $40 million a year from their TV deal with Madison Square Garden Network. The Twins, by contrast, get just over $4 million for local media rights.

Such disparities allow the big-city franchises to pay big money for free agents. The wealthy Red Sox, for example, spent over $25 million on free agent signings this winter. But the Sox have annual revenues of $75 million or more and can afford their bulging payroll of more than $35 million this year.

How to keep the poorer teams from being drained of talent by the

Losing by winning

IN THE PAST, professional sports team owners have had a way of crying about their teams' finances all the way to the bank (FORBES, *Apr. 1*). But Minnesota Twins owner Carl Pohlad produces figures showing that a lot of red ink really is mixing in with the crocodile tears these days.

Starting in 1985, Pohlad and Twins general manager Andy MacPhail built the club with modestly paid talent. This paid off in 1987, when the frisky Twins defeated the St. Louis Cardinals in the World Series. But then, egged on by their agents and other players, the Twins star players demanded multimillion-dollar contracts. The Twins obliged two (Kirby Puckett and Kent Hrbek), traded one (Frank Viola) and eventually lost two (Jeff Reardon, Gary Gaetti) to free agency.

Pohlad says the Twins could lose $5 million or more this year. Payroll, which is still below the league average, comes to $21.5 million. Insurance for key players costs $1.5 million. Running the club's minor league teams costs about $2.4 million, with another $2.3 million for about two dozen full-time scouts. More than $2 million goes to the players' pension fund. Another $12 million goes for travel, bats, balls, ushers, security, lawyers, accountants. Add to that net interest expense of $2.6 million, and Pohlad anticipates 1991 expenses of around $45 million.

Against that, revenues should total roughly $40 million, according to Twins President Jerry Bell, including $13.6 million from gate receipts and the $14.4 million each ball club gets from the CBS and ESPN contracts. Local media contracts are worth $4.2 million. Concessions pitch in $2.8 million. Income from licensing (of, for example, the Twins logo to jacket and cap manufacturers), advertising and novelty sales comes to $4 million.

Pohlad says the projected 1991 loss comes after operating losses totaling nearly $3 million over the last two years. Pohlad, a college dropout who made a fortune in banking and Pepsi bottling, says he isn't in the game for the money. "I don't consider baseball a professional sport," he explains. "I consider baseball a family culture." –N.A.

Minnesota Twins owner Carl Pohlad
Modestly priced talent won him a World Series. With today's salaries he expects a $5 million loss.

wealthy teams? Baseball owners thought they had a solution last year when they proposed price controls, in the form of a salary cap. Players would receive a fixed share of baseball's gross revenues, and teams would be limited to essentially the same payrolls in distributing that sum to players. The big-market Yankees and Dodgers, in other words, could spend no more on players than could the small-market Twins and Mariners.

But the salary cap idea was swiftly torpedoed by the players' union, the Major League Players' Association, which figured the cap would reduce the players' bargaining power. MLPA Executive Director Donald Fehr succinctly outlines the MLPA's negotiating philosophy: "The players aren't going to accept less."

With the salary cap idea shelved, some team owners have been floating a plan that would simply require all teams, rich and poor alike, to throw their local media revenues in a pool to be evenly divided by all. From each according to his audience, to each according to his need. But this is so radical, divisive and legally dubious that it has never come up for an ownership vote. "It's socialistic," says the Red Sox's Harrington, "very demotivating." And very much in baseball's recent tradition.

Like other professional sports, baseball rewards the weakest teams with first crack at the young talent coming out of high school and college each year. Moreover, teams that sign free agents (often the wealthier teams) generally lose top draft choices.

Weaker teams further benefit from the rules in sharing gate receipts and local cable money. This results in a net outflow of revenues for teams that draw relatively large crowds and have relative-

ly lucrative cable contracts. The Red Sox, for example, paid out $2 million more than they took in last year under this program.

The problem, and it is growing critical, is this: While owners try to make the game fair for smaller teams like Milwaukee and Cleveland, they often overlook the point that teams in New York and Los Angeles have powerful revenue streams for the simple reason that they have more fans. As Paul Bortz, a television and professional sports consultant, observes, the highest television ratings will generally go to "a big-market team that's doing well." At a time when baseball is getting more than $350 million a year from television contracts that are moneylosers for the networks, any plan to force revenue sharing among teams penalizes big-market teams, their fans—and media patrons—could backfire.

Is there no way to help the weaker teams without hurting the stronger clubs? There is. Let team owners sell their players on the open market. As free agents, players can sell themselves to the highest bidder. Why not let the owners in on the game? But thanks to an anachronistic rule, owners are in effect barred from buying and selling players. Here's why:

In 1976 the Oakland Athletics' maverick owner, Charles Finley, alert to the early signs of salary inflation, began selling off his high-priced stars. He announced the sale of Joe Rudi and Rollie Fingers to the Red Sox and of Vida Blue to the Yankees.

Not so fast, ruled Bowie Kuhn, then baseball commissioner. Fearful that poor teams would begin auctioning off their player assets, Kuhn ruled that players could be sold for no more than $400,000 cash.

That was quite a bit of money in 1976, when Reggie Jackson earned $140,000. Today it's less than many journeyman players make in a year. But astoundingly, Kuhn's $400,000 cap still stands. Even if the cap were simply adjusted to reflect player salary inflation, it would now be likely to exceed $4 million.

This past winter it was not unusual for a team to pay $10 million to $12 million a pop to sign free agents. That's great for the players and their agents, but it did nothing for the teams that had developed the talent in the first place.

Think what would happen if that anachronistic Bowie Kuhn cap were abolished and club owners received the right to realize cash value for their stars *before* the stars were let loose on the open market. Then a weaker team that had done well in the player drafts could sell its fading stars to a rich team, and use the proceeds to sign less expensive but promising players. In other words, removing that old Bowie Kuhn cap on player sales would be the most elegant way to allow weaker teams to participate in the strong cash flow of big-market free spenders, without hamstringing the rich teams that are baseball's breadwinners.

As for the old chestnut that cash transactions would allow strong teams to buy top talent, so what? This is precisely what rich teams do with free agents anyhow. If the Red Sox can spend $25 million on free agents during the off-season, what would they pay in the heat of a pennant race to buy a veteran that a weak team may eventually lose to free agency anyway?

In any event, the fear of rich teams' buying their way to greater glory is probably exaggerated. Former New York Yankees managing partner George Steinbrenner proved that no amount of money can ensure competitive success. Steinbrenner spent tens of millions to buy more than 30 free agents between 1982 and 1989, including Don Baylor, Jack Clark and Pascual Perez. They won no championships during this period; last year the Yankees actually finished dead last in their division.

Meanwhile, several teams built with homegrown young players have flourished. The 1987 World Champion Minnesota Twins, the 1989 Baltimore Orioles and last season's World Champion Cincinnati Reds and National League East Champion Pittsburgh Pirates are cases in point.

There are other avenues to alleviating the plight of the weak teams that the sport's owners can explore. One possibility would be to expand the playoff format to include more teams and, of course, increase TV revenues. Another would be to demand more money from the superstation broadcasters, whose signals are picked up and redistributed via satellite across the country. Paul Glist, a partner with a Washington, D.C.-based law firm that specializes in cable and communications, says owners are concerned that superstation broadcasts could be cutting into local baseball audiences, thereby diminishing the value of local media rights to many ball clubs. Baseball derives some revenue—probably less than $40 million—from the superstations, but some owners think these rights could be worth $200 million or more a year.

But the simplest and most promising reform is to eliminate the restrictions on player sales—or at least index the $400,000 cap for players' salary inflation. A system that allows big teams to spend their money in any way they see fit makes a lot more sense than devising rules that take from the rich and give to the poor. The players have earned freedom of movement. The owners now need the freedom to move them. ■

Most valuable players

Player/team	1991 salary ($mil)	Length of contract (years)	Total package ($mil)
Darryl Strawberry/Dodgers	$3.80	5	$20.2
Will Clark/Giants	3.75	4	15.0
Kevin Mitchell/Giants	3.75	4	15.0
Joe Carter/Blue Jays	3.67	3	9.2
Mark Davis/Royals	3.63	4	13.0
Eric Davis/Reds	3.60	3	9.3
Willie McGee/Giants	3.56	4	13.0
Mark Langston/Angels	3.55	4	12.8
Dave Stewart/Athletics	3.50	2	7.0
Jose Canseco/Athletics	3.50	5	23.5
Tim Raines/White Sox	3.50	3	10.5

Before 1990, there were no $3 million-a-year players. Nowadays to be among the top ten requires a cool $3.5 million paycheck.

Has the system of incentive pay for chief executives turned into a giant pork barrel? In many cases the answer is clearly yes. In others, no.

Incentivize me, please

By Dana Wechsler Linden with Vicki Contavespi

GENERAL DYNAMICS Corp. Chief Executive William Anders was just voted a new incentive option package that has earned him nearly $4 million in paper profits since February. In addition, if the company's stock rises $10, he'll get a bonus equal to double his $800,000 salary.

What's wrong with that? Lots of things. The defense contractor had a loss of $578 million last year; and the company just announced it's going to lay off 27,000 workers. Its common stock sells for under half what it did a few years back.

How about this: Time Warner's Steve Ross raked in $78 million last year at a time when the entertainment company is struggling in the red to work off a debt of $10 billion incurred in a merger that may or may not work out well.

Contrast these cases with General Electric's. The company earned well over $4 billion last year on revenues of $58 billion, and its stock currently sells close to its alltime high. The company is, by general agreement, superbly managed. Its chairman, John F. Welch, isn't exactly suffering, but his earnings last year were modest in terms of his company's sales, earnings and general progress. His total take, before taxes, merely equaled the profits GE earned in a few hours. And dozens of other chief executives did magnificent jobs for far less even than that.

In short, the overall system of executive compensation doesn't make a whole lot of sense in terms of who gets how much for doing what. It isn't that great chief executive officers aren't worth a lot of money. They are. The problem is: Why do their compensations vary all over the lot and bear so little relation to current accomplishments? Institutional shareholders, some innovative thinkers in compensation planning—and even some top executives—are getting fed up. They are beginning to wonder if some of the old rules shouldn't be changed.

For years, prevailing theory had it that business managers would produce more if more of their pay were at risk, dependent on their personal performance. The buzzword "pay-for-performance" has rolled enthusiastically off the tongues of compensation professionals, chief executives and business journalists for over a decade.

The result is a self-serving jumble that makes little sense.

Who decides what the boss makes? Most big corporations have compensation committees composed of board members, often outside board members and always excluding the boss himself. However, it is not unusual for chief executives to sit on one another's compensation committees—one can wonder whether they approve increases for their friends in the hope the favor will be returned. The expensive pay consultants hired often find themselves in the compromising position of being paid by the people whose salaries they are supposed to assess. Can you imagine such a consultant telling the boss: "You had a lousy year and laid off thousands of people; we recommend you take a 50% pay cut. No, make it 60%."

But now the first cracks are beginning to appear in this fortress. People are asking such questions as: Is the incentive pay system just a cover for boosting the boss' pay? Why should the boss not take a pay cut when he is laying off workers and reducing dividends?

In the Japanese-language version of the controversial book he co-wrote, *The Japan That Can Say No*, Sony Chairman Akio Morita writes, "The income gap between American and Japanese business executive is astounding." He goes on to complain that American bosses are rarely fired when they manage badly but are usually given golden handshakes. He charges: "So [in the U.S.] even though the corporation may stall or crash, the [chief] executive is equipped with his 'golden parachute' and is thereby guaranteed to land safely and comfortably." Morita describes this as an "outrageous system." More and more

Gary Gerard

Stern Stewart & Co.'s Bennett Stewart **Depower the chief executive, empower the ranks by doing an internal LBO.**

Incentive plans are "the cause of our decline."

Americans are coming to agree.

■ General Motors, for example, is considering modifying its entire management pay and appraisal system. Aware that it put more money into regular paychecks and less into bonuses. The idea is less competition between annual performance appraisal and pay. In the past, GM's salaries have not been particularly high, bonuses made the difference in the full year's take.

■ Campbell Soup Co. recently announced that it will be deemed that bonuses will no longer be based on an individual's performance. Previously, an executive earning $175,000 in base salary could have collected a $150,000 bonus if he were rated a superstar. Now bonuses will be tied solely to the company's and division's performance.

"We run on the market share of a total company, not a collection of individuals," says Sandy Armstrong, the company's top compensation executive. "All-stars can't do it by themselves."

■ The big railroad CSX Corp. has a different approach. Its stockholders have just approved a plan under which eligible executives will receive stock options or a company loan for 98% of the purchase. The officers' investment of their own money puts them on a par with stockholders in the company. They receive all of the additional stock options and/or dividends that accrue.

Whatever the mix of salary, bonus, stock options and other benefits, the determining factor is performance. Chrysler Corp.'s Lee Iacocca, who has received $20 million in pay and benefits in the past five years, has said repeatedly that he will not accept any bonus for 1991 because the company is losing money.

Incentive Compensation Plan and a Stock Unit Incentive Program.

Fair enough. But Chrysler earned only $68 million, down 80% from 1989, and saw its stock price crumble from $20 to $13. Accordingly, Chairman Lee Iacocca's salary and incentive plan payments amounted to just $1.1 million last year—not a big sum for running and keeping afloat a huge business. But then Iacocca negotiated himself a side deal. For agreeing to remain at Chrysler through Dec. 8, Iacocca will get 315,000 shares of common stock, now worth some $4.1 million, as well as options to purchase another 720,000 shares. Plus, the company bought Iacocca's two homes "to make it possible for him to continue to devote his full time and attention to Chrysler business."

Keeping the highly visible and popular Iacocca at the helm is undoubtedly important for the struggling company, but it's the kind of deal that infuriates workers and suppliers, and executives asked to tighten their belts. At best, the deal was terrible public relations.

Or take the case of ITT, which paid its chief executive, Rand Araskog, $7 million last year. Last year ITT's profits plunged 67% in the fourth quarter and were up only 4% for the year as a whole—after a one-time $640 million boost from selling a piece of its stake in Alcatel. Some of ITT's institutional stockholders yelled "foul."

The present system encourages deals that add bells and whistles to the boss' pay. After studying 955 companies, Berkeley professor and former consultant Graef Crystal claims the more incentive plans a chief executive has, the more he gets paid. Those with no long-term incentive plans are paid 30% below average. Those with one long-term incentive plan are paid about average. Those with three incentive plans are paid 65% above average.

So, the trend is to more than one plan. "The CEO who has an apple says he wants an orange, and then he wants a banana, and he has all three," says Crystal. No surprise here: If apples aren't hot this year, bananas will be.

And the standards for the quality of the oranges and bananas are sometimes set conveniently low. Princeton, N.J.-based compensation consultants Sibson & Co. found that for the 50 cash bonus plans they looked at, performance targets were so low that they were met or exceeded in 90% of the cases. There is absolutely no evidence that meeting these artificially set goals improves long-range corporate performance.

Should executives put themselves in the position of setting targets for one another? American Express' James Robinson III and Bristol-Myers Squibb's president, Richard Furlaud (who resigned on May 7), have sat on each other's compensation committees since 1989.

Robinson recuses himself from discussions about Furlaud's pay. Other boards have similar safeguards. But the fact remains these relationships *(see chart)* present at minimum the appearance of conflict about an issue shareholders have a big stake in. Even those directors who aren't on compensation committees still have a say in pay matters—which typically require the whole board's approval.

Another addition to these fruit salad deals is post-retirement pay disguised as consultant salaries. Compensation expert Crystal claims he overheard the following conversation between two corporate directors. "So what are you doing these days?" "I'm still a consultant to my company. I'm a sexual consultant." "What do you mean?" "Well, when they signed me up for this deal they said, 'If we want any of your #%$&@ advice, we'll call you.' "

Is there a better way?

Americans are paying close attention these days to the management practices that have made Japanese companies so successful. Most Japanese corporations pay the boss a salary and a bonus that is essentially deferred salary—it hardly varies from year to year. More than one Japanese business leader has scoffed at the American system. Here's

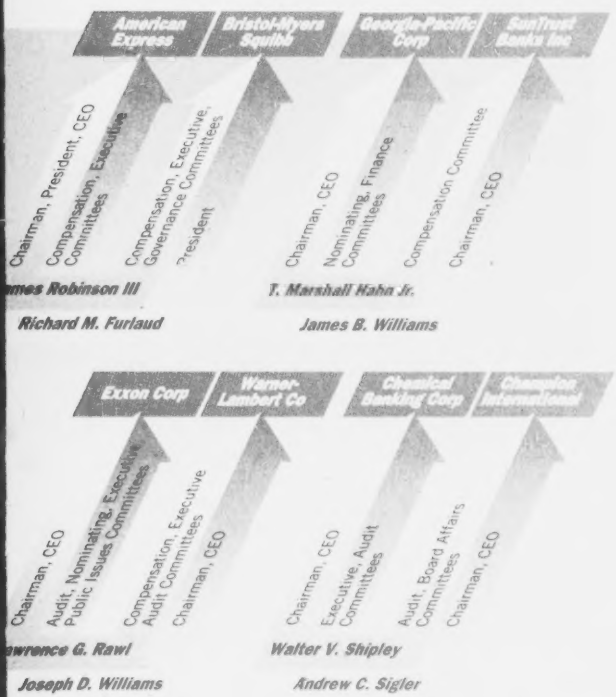
Strange boardfellows. Can they fairly represent shareholders on pay issues?

what one said to a FORBES reporter recently: "Your companies lay off workers and close plants, then give the boss a raise. Why shouldn't the boss take a cut or get laid off when things get bad?"

W. Edwards Deming knows a lot about the Japanese system. He almost invented it. He is credited with teaching the Japanese about quality after World War II and playing a major role in that country's economic ascendance. Still active at age 90, Deming argues that the American system of executive compensation is aimed at rewarding bosses rather than at producing well-run businesses. He says incentive systems lead employees to focus on narrow, numerical goals, rather than the long-run good

of the company. The incentive systems destroy teamwork, making co-workers competitive. Performance rankings are demoralizing, especially since performance is impossible to measure. Deming *(see box, p. 212)* argues that people are not primarily motivated by money, but by self-esteem, dignity and love of learning.

Deming would pay every employee—right up through the chief executive—a straight salary or wages. Those in the same job would be paid roughly the same; some differences would be created by seniority, since everyone would get annual raises. Those raises would be uniform, not based on merit. Such a system, he argues, would encourage teamwork rather than encourage superstars.



The one acceptable bonus plan to Deming is profit-sharing. But every employee would get an equal share. The chief executive getting the same bonus as a factory worker? "Well, why not? Certainly," says Deming, looking astonished by the question.

How would people be rewarded? Some would be promoted, which would bring a hike in pay. Exceptionally poor performers would be transferred into new jobs.

But how would that really work? A New York-based consultant recalls a project he did for the American branch of one of Japan's top banks last year. One day he met with the bank's president in a conference room overlooking Wall Street. The president wanted help setting appropriate bonuses for three Americans on his staff.

Each of the officers earned around $100,000. An American bank, the consultant said, would give them bonuses of $30,000, $20,000 and $0. The Japanese looked alarmed and said he wasn't "comfortable making such big distinctions." He gave them bonuses they would get in Japan: $14,000, $14,000 and $13,000.

But does such a system encourage shirkers and incompetents? Hardly. Later, the contract of the officer who got $13,000 was simply not renewed.

Some people think Deming is wrong in believing his ideas will be accepted here; the American culture is too rooted in the tradition of individualistic, economic motivations. Of all Deming's teachings, those on pay are "the most iconoclastic, the least accepted," says management consultant Peter Scholtes, a Deming disciple.

Scholtes is probably right. Still, we could move closer to the Japanese way. Some American companies already have. Robert Geiger, 45, a general manager of Nashua Corp., was brought in three years ago to turn around the ailing, $70 million (1990 sales) masking and duct tape division. He is trying to apply Deming's teachings.

In January Geiger took all of his salespeople off commissions. Before, an average salesperson at Nashua Tape made about $60,000—$40,000 in salary and $20,000 in commissions for hitting targets. Now they make the same total pay, but all in salary. "I buy Deming's whole philosophy of win-win, cooperation instead of competition," says Geiger. "And I agree that money is not a motivator." An elated Geiger crows that for the first time Nashua Tape's sales are growing faster than the tape market as a whole.

As a general manager of the parent company, Geiger makes a salary of $140,000 and a bonus, if he meets division targets, that can reach $50,000.

"I've been hammering away at the corporate staff to eliminate those damn executive incentive plans," says Geiger. "Some of the things I do to maximize my bonus are not the best thing for this division."

Defenders of the incentive pay system argue that they want to encourage an entrepreneurial approach to running big companies and that the dangling of big money is what makes entrepreneurs run. Bennett Stewart, senior partner in New York consultant firm Stern Stewart & Co., believes in "the power of entrepreneurial motivation."

What does that mean? "Managers make the best decisions when they think as owners," he says. "I call it the Desert Storm principle. In this world of horizontal information, empower the ranks, depower the CEO. Pass the incentives down the ranks."

How do you make managers think like owners? One way, Stewart proposes, is to get lots of equity into managers' hands—but, like owners, the managers have to pay for it. CSX is trying the idea out with its deal for 140 top officers. The officers can buy company stock, using an interest-bearing company loan for 95% of the purchase price and their own cash for the rest.

Stewart's other approach is to link pay to a stiff financial measurement called "economic value added." That means tying managers' bonuses to the growth of profits—after deducting from profits the cost of the capital they've invested. Owners can't survive making investments that cost more in capital charges than they pay out in profits; why shouldn't managers be held to the same standard?

Under a different name, the measurement of economic value added originated at General Electric back in the

1950s. Today, a number of companies, including Coca-Cola, pay bonuses based on economic value added.

Stern Stewart & Co. tries to persuade its clients to place no cap on bonuses. "If managers believe the sky is the limit, they will reach for the sky," managing partner Joel Stern wrote recently.

But reaching for the sky may be appropriate in small, startup entrepreneurial companies. It may not always be appropriate for giant corporations, which must compete on a global basis and involve sometimes dozens of divisions. An IBM is not reaching for the sky. It is already there. Staying on top is as hard as getting to the top and requires taking as many risks, but the results are harder to measure for purposes of incentive pay, if not downright impossible.

One thing is clear: The current system, under which some people are paid in the tens of millions of dollars, even in the face of mediocre results, encourages little except cynicism. Cynicism among investors, among workers, among the general public. ■

"Pay is not a motivator"

YOUR INSTINCT is to take W. Edwards Deming with something of a grain of salt. He's clearly a zealot. Still, you want to listen when he blasts that incentive stock plans for chief executives are "the cause of our decline."

Dr. Deming, as he is known, is 90, and crusty to the point of imperiousness. He is also the man who taught the Japanese what they know about quality. In Japan he has been revered for decades, and winning the Deming prize is probably the greatest honor in business there. Only after Japan's success became painfully obvious did Detroit and the rest of U.S. industry come calling at Dr. Deming's door.

Now Deming's seven-day workweek includes teaching at both Columbia University and New York University every Monday; teaching monthly four-day intensive seminars to sell-out crowds of managers; consulting clients up to four days a week; and, if there's free time, speaking and writing.

Hard of hearing but with a sharp mind and a tongue to match, Deming alternately shouts in anger, smiles like a kindly teacher and commands a reporter to write down a pearl of wisdom he just uttered.

A statistician with a Ph.D. from Yale, Deming built on statistical theories of quality control to develop a method of completely transforming a business into one directed at producing high-quality goods or services and delivering value to customers.

Though many people are familiar with some of Deming's ideas, few are aware that an integral part of his method is eliminating the pay-for-performance compensation plan that American business people swear by. His reasoning?

"You cannot measure performance. Performance cannot be measured," says Deming. "Merit pay is not merit pay. Differences may be caused by the system. It's rewarding the circumstances. Same thing as rewarding the weatherman for a pleasant day."

He has a point, and it's true for employees and companies: In a long bull market, nearly all stocks go up and managers with incentive pay matched to stock performance get rich. In a bear market, even the best corporate performance often fails to make a company's stock rise.

Thus, bonuses and merit pay increases can never be set fairly. "Ranking people is one of the evils. You put it down there: demoralization.

"This country was built on cooperation," Deming says. "People could work as hard as they wished. They helped each other. Now they dare not cooperate. If I am inept on the job, I'm an asset to you. Helps you to get a better rating."

Deming argues that management by the numbers sabotages the company by directing employees' efforts toward a few narrow goals. "The top salesman may be ruining the company," says Deming. "He gets higher commissions because he is selling a bigger machine than the customer needs. The customer finds out he does not need that machine. In the long run, the company gets a bad name."

Dr. Deming speaks

But does what works well in Japan work equally well in the very different American culture? Donald Petersen, former chief executive of Ford, has been a Deming disciple since 1980, but is a little bit wary. "I agree with him about the damage individual performance reviews can cause when you're trying to foster team effort," says Petersen. "But I don't take it from that to saying something is wrong with incentive pay. For example, stock ownership can be appropriate."

Deming disputes the conventional wisdom that Americans are chiefly motivated by economic rewards. Again he has a point: Few Americans are better motivated than members of the U.S. Marine Corps, but few people go into the Marines for money. Nor do most people go into the clergy for money. Nor does Paul Fireman of Reebok International work ten times as hard or ten times as well as, say, Charles Weaver of Clorox, even though Fireman is paid ten times as much (see tables starting on page 236). But in business, where the bottom line is making money for your company, you can't expect achievers not to want to run up high scores themselves. Between what works in Japan and what works here now there has to be a middle way. –D.W.L. ■

There were strange bedfellows among 1990's 25 best-paid chief executives. A sneaker importer, the architect of a high-tech turnaround and the boss of a Massachusetts bank. A Massachusetts bank? Yep.

Turnover at the top

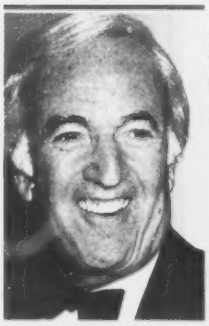
By Steve Kichen and Eric Hardy

WHAT'S THIS? William S. Edgerly, chairman of a large Massachusetts bank, is one of the 25 highest paid on this year's list of chief executive compensation. But New England has been in recession for more than a year, and many of its banks are in deep trouble. Yet Edgerly received $6.5 million in total compensation last year.

How come? Management of State Street, the bank in question, managed to spare the bank from the worst effects of the local problems. Even so, there were special circumstances in Edgerly's case. A full 60% of his 1990 compensation came from the exercise of stock options granted years before, at lower prices.

Edgerly is not alone as a stock option multimillionaire. Over half the best-paid chief executives made it onto this list by exercising options, thus realizing long-term rewards

The top 10



1. Steven J. Ross
Time Warner
$78.1 million

2. Stephen M. Wolf
UAL
$18.3 million

3. John Sculley
Apple Computer
$16.7 million

4. Paul B. Fireman
Reebok
$14.8 million

5. Dean L. Buntrock
Waste Management
$12.5 million

6. Israel Cohen
Giant Food
$11.5 million

7. Martin S. Davis
Paramount
$11.3 million

8. Michael D. Eisner
Walt Disney
$11.2 million

9. G. Kirk Raab
Genentech
$9.2 million

10. Joseph Williams
Warner-Lambert
$8.8 million

The best-paid chief executives 1990

Company/Chief executive	Stock owned market value ($mil)	Compensation: salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)
Time Warner/Steven J Ross[1]	§	$3,200E	–33%	$17,757	$57,156	$78,113
UAL/Stephen M Wolf	$12.0	1,150	0	2,376	14,775	18,301
Apple Computer/John Sculley	16.2	2,199	–2	—	14,531	16,730
Reebok International/Paul B Fireman	217.7	14,822	1	4	—	14,826
Waste Management/Dean L Buntrock	113.8	1,582	17	2,777	8,096	12,455
Giant Food/Israel Cohen	83.9	1,213	–3	37	10,241	11,491
Paramount Commun/Martin S Davis	54.9	3,646	–11	7,653	—	11,299
Walt Disney/Michael D Eisner	45.0	11,233	17	—	—	11,233
Genentech/G Kirk Raab	0.4	675	NA	196	8,308	9,180
Warner-Lambert/Joseph D Williams	6.9	1,585	5	665	6,568	8,818
Sotheby's Holdings/Michael L Ainslie	10.0	959	NA	—	7,696	8,654
National Medical/Richard K Eamer	81.4	1,879	12	6,690	—	8,569
BHC Commun/Herbert J Siegel	—[2]	8,353	–39	18	—	8,371[3]
Reader's Digest Assn/George V Grune	10.6	1,193	26	6,297	—	7,490
ITT/Rand V Araskog	22.7	3,888	63	3,393	—	7,281
Merck/P Roy Vagelos	33.3	2,092	–11	5	5,050	7,147
Eli Lilly/Richard D Wood	20.5	1,781	31	971	4,379	7,131
City National/Bram Goldsmith	71.2	1,026	9	1,506	4,559	7,091
RJR Nabisco/Louis V Gerstner Jr	24.9	3,020	NA	4,053	—	7,073
US Surgical/Leon C Hirsch	170.3	1,500	NA	5,571	—	7,071
Coca-Cola/Roberto C Goizueta	144.5	3,142	15	1,656	2,190	6,988
Masco/Richard A Manoogian	52.0	1,056	–2	2,477	3,391	6,924*
Capital Cities/ABC/Daniel B Burke	20.1	1,033	NA	116	5,584	6,733
State Street Boston/William S Edgerly	11.8	953	15	1,551	4,013	6,518
Schering-Plough/Robert P Luciano	1.2	1,694	12	1,311	3,482	6,487

*Prior year data. §Less than $100,000. [1]Office jointly held with N J Nicholas Jr. [2]Indirect ownership through Chris-Craft Inds. [3]Salaries paid by Chris-Craft Inds. E: Estimate. NA: Not available.

Most of these corporate leaders made this list through exercising stock options or through the release of restricted stock awards. But Paul B. Fireman of Reebok International and Michael D. Eisner of Walt Disney earned their eight-figure incomes in another way—through unusually handsome salaries and bonus payments.

from the appreciation of their companies' stock.

Take Israel Cohen, chief executive of Giant Food. Most of his $11.5 million compensation in 1990 came from the exercise of stock options. Cohen hardly needed the money. He already owned $74 million worth of Giant Food stock. But, seemingly, he didn't want to be left behind in the chief executive sweepstakes.

Apple Computer paid John Sculley $2.2 million in salary and bonus in 1990 and another $14.5 million from exercising stock options. If ever the reward was well earned, this one was. When Sculley, a former PepsiCo executive, joined Apple in April 1983, Apple was undergoing a painful transition from a freewheeling entrepreneurial operation into a major corporation. Sculley engineered that difficult transition, and engineered it with rare skill.

As a group, these 25 top earners, including top-ranking Steve Ross, had combined compensation of $302 million in 1990. That's big money in the absolute, but relatively small compared with the size and profitability of the companies, which earned a combined $10 billion on combined revenues of $133 billion. The total compensation amounted to just $2.26 on every $1,000 in revenues.

The best-paid chief executives 1986-90

Company/Chief executive	Stock owned mkt value ($mil)	Compensation: salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	5-year total comp ($000)
Time Warner/Steven J Ross[1]	§§	$3,200E	-33%	$17,757	$57,156	$78,113	$137,254
Toys 'R' Us/Charles Lazarus	$1.9	5,277	19	16	—	5,293*	91,095
Walt Disney/Michael D Eisner	45.0	11,233	17	—	—	11,233	71,069
Reebok International/Paul B Fireman	217.7	14,822	1	4	—	14,826	69,356
Chrysler/Lee A Iacocca	5.7	1,137	28	3,131	—	4,268	49,197
Paramount Commun/Martin S Davis	54.9	3,646	-11	7,653	—	11,299	37,680
Waste Management/Dean L Buntrock	113.8	1,582	17	2,777	8,096	12,455	33,003
Apple Computer/John Sculley	16.2	2,199	-2	—	14,531	16,730	32,310
Reliance Group/Saul P Steinberg	258.2	6,314	1	164	—	6,478	32,183
Masco/Richard A Manoogian	52.0	1,056	-2	2,477	3,391	6,924*	27,802
General Electric/John F Welch Jr	13.6	2,983	13	—	2,049	5,032	27,447
Coca-Cola/Roberto C Goizueta	144.5	3,142	15	1,656	2,190	6,988	26,749
Anheuser-Busch Cos/August A Busch III	37.4	1,738	19	25	—	1,763	25,667
Freeport-McMoRan/James R Moffett	19.1	2,018	48	699	2,416	5,132	24,517
American Express/James D Robinson III	15.3	1,798	-31	1,743	—	3,541	23,904
Ralston Purina/William P Stiritz	74.8	1,161	9	66	964	2,191	23,631
Merck/P Roy Vagelos	33.3	2,092	-11	5	5,050	7,147	23,325
Great A&P Tea/James Wood	0.6	3,421	7	8	—	3,429	22,880
ITT/Rand V Araskog	22.7	3,888	63	3,393	—	7,281	21,740
State Street Boston/William S Edgerly	11.8	953	15	1,551	4,013	6,518	21,063
Bear Stearns Cos/Alan C Greenberg	55.2	4,212	-7	—	—	4,212	20,979
Warner-Lambert/Joseph D Williams	6.9	1,585	5	665	6,568	8,818	20,745
Philip Morris Cos/Hamish Maxwell	49.1	2,408	28	—	2,947	5,355	20,260
Torchmark/Ronald K Richey	29.5	1,827	69	58	2,355	4,241	19,939
Giant Food/Israel Cohen	83.9	1,213	-3	37	10,241	11,491	19,044

Some 5-year compensation figures have been revised and updated since we published this information in our last issue ("Executive sweets," May 13). *Prior year data. §Less than $100,000. [1]Office jointly held with N J Nicholas Jr. E: Estimate.

Over the past five years these 25 chief executives made more money than the heads of any other public corporations. As a group, they received a total of $923 million in salary, bonuses, stock gains and other forms of compensation. Steven J. Ross of Time Warner had the best five-year total compensation: $137 million.

Of the 25 chief executives who made the most in 1990, only 5 are repeaters from last year. Paul B. Fireman of Reebok International is again near the top of this list, with a take-home of $14.8 million before taxes from salary and bonus. He has since renegotiated the contract that gave him these rich pickings, but he won't have to crimp his style of living. In return for renegotiating, the company gave him $81 million (at current prices) of stock options in the importer of trendy sneakers. The options vest during the next five years.

Also back for another year on the top 25 list are Martin Davis of Paramount Communications, Michael Eisner of Walt Disney, Herbert Siegel of BHC Communications and Roberto Goizueta of Coca-Cola.

Among last year's top earners missing from the list this year is Craig McCaw of McCaw Cellular, who in 1989 earned $54 million, virtually all from stock gains. His compensation in 1990 dropped to $209,000.

These wild swings in compensation, these apparent discrepancies in chief executive compensation among similarly sized companies, fuel the controversy on the subject. Even if the boss deserves every penny he gets, there are a growing number of people who don't believe he does.

Here are ten chief executives who run their companies very well and yet earn relatively modest compensation.

The underpaid: relative pain

WEEP NOT FOR the executives we write about below. All of them do quite nicely on what they earn. Harold Haverty of Deluxe Corp., for example, can live very comfortably in St. Paul on $778,000. Tom Smith of Food Lion lives in rural North Carolina. His $946,000 goes a long way there. That kind of money would guarantee solvency in Beverly Hills or Manhattan but wouldn't be enough for keeping up with the Wall Street and Hollywood Joneses. Nor would it generate the kind of wealth that puts one's name on university buildings.

The point of our list is relativity. Compared with UAL's Stephen Wolf ($18.3 million) and even ITT's Rand Araskog ($7.3 million), the executives who make our list of the 10 lowest paid appear in need of food stamps. Our 10 lowest have an average compensation of $1.1 million, well below the $12 million average of our top 25.

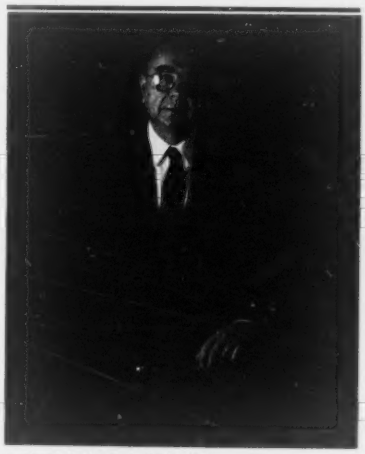
Our list is also one of achievements. All these chief executives have a solid record of performance equal to or better than that of the business in which they compete, while not being at the top of the pay scale in their industry. Put another way, they seem to be good bargains for shareholders.

Here's how we put the list together: We wanted the chief executive to have been in office for at least three years, or chief executive for two years with at least eight years at the company. The company had to have sales of at least $1 billion and profits of $100 million. Our finalists passed our tests for five-year growth in sales and profits and five-year average return of equity. Finally we eliminated anyone who owned more than 10% of his company's stock, because major shareholder/managers are usually so rich they could take a pay cut to $1 a year without giving up the yacht or the Thoroughbreds.

Harold Haverty

Every year, outside compensation consultants suggest that St. Paul, Minn.-based Deluxe Corp., the check people, do a little more for their chief executive, Harold Haverty.

The compensation committee will have none of it. Haverty's just fine, they say, at $778,000. Which means that Haverty takes the honors as lowest-paid chief executive on our selective list of Forbes 500s executives with low compensation relative to corporate performance.



Steve Hedgpeth

Last year's bonus: $23,000.

"We've been tempted," says a member of the compensation committee who asked not to be identified. "We've had people telling us we ought to do this and that, and yet our fundamental position is, let's not tip the canoe." This despite the fact that Deluxe's ROE has averaged 27% over the past five years, while earnings climbed 13%, to $172 million, last year over 1989.

Doesn't matter. While acknowledging that Haverty's salary is low relative to other companies and to his performance, the committee isn't about to chase the hyperinflation at work elsewhere. "It's just plain getting gross," says the same committee member. "People have become so greedy in this day and age."

How does Haverty feel about canoe tipping? He's not saying, declining a FORBES interview on the theory that it wouldn't serve Deluxe's shareholders. Like Deluxe's previous chief executives, Haverty, 61, rose steadily through the ranks, after joining up in 1954 as a stock clerk in the company's Chicago printing plant.

He does get a bonus. Last year it was $23,000—tied directly to the company's profits. In line with Deluxe's egalitarian philosophy, every employee with the firm for at least five years gets a cash bonus tied to overall corporate performance rather than to individual performance.

Will this emphasis on group performance rather than individual stardom change? Not likely. Like Haverty's pay, the subject of incentive bonuses comes up every now and again. And it's always shot down. "We don't put a carrot on a stick and say you'll get an extra bonus if you knock yourself out and do something X amount better," says Chairman Eugene Olson. "We feel they'll knock themselves out anyway."

Apparently they do. –ZINA SAWAYA

Alex Grass

Like his drugstores, Alex Grass is basically no-frills. The chairman and chief executive of Rite Aid Corp. works ten hours at the office and another two to three hours at home each day. He even goes to work every Saturday morning. Not much time for hobbies or long trips.

For all this, Grass, 63, made less than $900,000 last year, putting him very much on the low end of chief executive salaries. He also owns $140 million in Rite Aid stock, which suggests he could easily dispense with his salary completely and go fishing, but he has no interest in that. He works for the love of it. Rite Aid is the largest retail drugstore chain in the U.S., with sales of $3.4 billion last year. The Harrisburg, Pa.-based company also operates bookstores, dry cleaners and auto parts suppliers. Profits have increased by about 10% annually over the last five years. Even

No hobbies or long trips.

during the current downturn, Grass has managed to keep earnings growing, in part by staying with a strategy of selling only basic health and beauty aids in his Rite Aid stores and staying away from appliances, electronics or sporting goods, carried by some of his less profitable competitors.

A lawyer, Grass went to work for his first wife's family business, then a food wholesaler and retailer, in 1952. Ten years later he opened the company's first discount drugstore. The rest, as they say, is history.

As to his relatively low rank on the pay scale, Grass says: "I would be very uncomfortable to be very substantially above the level of the top executives in the company."

Rite Aid compensates its executives mostly through a base salary and a "modest" stock option program, tied to the company's earnings growth. "If the option becomes more valuable," he says, "the shareholder is clearly benefiting as well."

Grass lives well. He escapes from Harrisburg to apartments in New York or Palm Beach. He enjoys boating, but, characteristically, doesn't own a boat. He prefers sailing with friends. "It's less work and less expensive," he says. –REED ABELSON

Tom Smith

Like many other chief executives, Tom Smith, 50, is all in favor of pay for performance. That he ranks among the lower-paid bosses on the Forbes 500s does not reflect poor performance. Living in the North Carolina countryside, Tom Smith gets along just fine on his $946,000 total compensation as chairman of Food Lion, the successful supermarket chain (FORBES, *Apr. 1*). That puts him in line with the rest of the grocery business. Which is right where Smith—and Food Lion's compensation committee—think he should be. "I realize some other industries have higher salaries," he says. "But I think [my pay] should stay within [our] industry.

"Part of my responsibility here," Smith continues, "is to manage this company in a manner that we either reach or exceed the expectations that are set in front of me. If I can't do that, then I'm not reaching the board's expectations—and I should be paid accordingly."

His record so far has been good. Last year the Salisbury, N.C.-based company had profits of $172.6 million on revenues of nearly $5.6 billion—a 3% net margin, well above the industry norm of 1%. Earnings were up 23% on an 18% sales gain.

Smith grew up with the company, starting as a bag boy in high school. A six-year stint with Del Monte helped Smith pay off his college debts and gave him a view of another side of the food industry. He came back to Food Lion in 1970, when there were only 12 stores. Today there are 800. Named chief executive in 1986, he became chairman last year.

Recreation? Smith enjoys the outdoors, hiking and hunting big game. Not far from the bigger cities in North Carolina, Salisbury (pop. 25,000) is "a real nice, friendly little town," says Smith. His own home is "out in the county," as he puts it, where he putters on weekends with a few old Corvettes. –WILLIAM HEUSLEIN

Joe T. Ford

Joe Ford started work at what was then the Allied Telephone Co. on June 1, 1959, smack out of the University of Arkansas, where he studied business administration on an ROTC scholarship. Says Ford matter-of-factly, "I just stayed around for 30 years."

Stayed around and helped Little Rock-based Alltel Corp. grow and grow. It provides telephone service to about 1.2 million customers in 25 states. Back in 1959, Allied had 65 employees and some 5,000 customers. Last year Alltel's earnings rose 25%, to $193 million, on a 28% sales increase to nearly $1.6 billion.

Ford's reward? His total compensation last year came to a shade under $1 million. His base salary has remained

Terry Fisher/Tangent Images

Paid in line with the competition.

the same for three years, but he did get a $27,000 incentive bonus last year.

Ford, 53, has lived in the same two-story Georgian house for 16 years. Little Rock, he says, "may be less expensive than some places, but no place is cheap anymore."

What does he do in his spare time? Last year Ford and his wife traveled to Ireland to see ancestral family homes. Ford's a golfer with a 13 handicap, and when he gets the chance, quail hunting in Georgia ranks high on his list. Making Wall Street-level earnings ranks low on his list. "I've never complained about my pay," Ford says. "I started out making $400 a month, and I was happy then."

–WILLIAM HEUSLEIN

"No place is cheap anymore."

Emerson Kampen

Great Lakes Chemical Corp. Chairman and Chief Executive Emerson Kampen, 63, is hardly living in poverty. Last year he earned $1.1 million in total compensation.

That's on the low side for the head of a $1 billion (sales) company. But it's a seeming fortune for the son of European immigrants who had nine siblings. Kampen's family was so poor that, for the offspring, getting a job to help support the family took priority over getting an education.

Thanks to a dedicated teacher who recognized his talent and encouraged him to pursue his studies, Emerson Kampen finished high school and college, earning a degree in chemical engineering at the University of Michigan. None of the other nine young Kampens went to college.

In 1951 Kampen joined Great Lakes. It was a small company with $130,000 in chemical sales. "I thought, boy, if I could ever earn $100 a week I would have it made," says Kampen. But there were tough times when he didn't get his paycheck because there wasn't enough money to meet the payroll.

Later he was given 1,500 stock options at the equivalent of 4 cents a share. Those shares are trading now at around 81, with a market value of $968,000. Kampen is rich but not superrich.

He has made a lot of others rich, too, with stock options. "We estimate 30 or 40 employees, some who have no education beyond high school, have become millionaires through the appreciation of their stock at Great Lakes," says Kampen.

Some years ago, another company offered him the head job for twice what he was making at Great Lakes. But he turned it down, realizing that money isn't everything. Taking the new job would have required moving away from his hometown, West Lafayette, Ind. Kampen says a house there costs a third of what you'd pay on the East Coast.

Paul Meredith

Remembering times without a paycheck.

The Lafayette area counts about 100,000 residents, but there's an array of cultural events thanks to Purdue University. Kampen can be entertained by leading symphonies and ballet troupes for about a fifth of New York prices. He spends weekends and summers with his extensive family at his lake house, an easy drive from West Lafayette. –ZINA SAWAYA

Richard Ayers

Only last month did Stanley Works, the New Britain, Conn. maker of tools and hardware, get around to offering substantial stock options to its top people. Now 175 executives are entitled to acquire shares at 30⅛.

It's not that Richard Ayers, 48, feels his pay scale is inadequate—even though, at $1.1 million last year, it is quite low for a chief executive of a $2 billion (1990 sales) company. "I think that perhaps as a group, chief executives are overpaid," he says.

"As a group, chief executives are overpaid."

Why, then, the new option plan? "A portion of almost everyone's compensation should be at risk and based on the performance of the business . . . because that way they're more motivated," he says.

To motivate executives, there is also a bonus tied to the company's return on equity. No goodies if the return is less than 9%. But last year's return of 15.6% brought Ayers a bonus of $325,000, about one-third of his total compensation.

Ayers, who previously was vice president of manufacturing at Britton

Corp., joined Stanley in 1972 as a project manager. The MIT graduate became chief executive in 1987 and chairman two years ago. Since 1985 the company's sales have almost doubled, to $2 billion last year. Profits have increased nearly as rapidly as sales, to a record $118 million in 1989. Weak housing starts caused earnings to drop to $107 million last year, but the decline was relatively moderate, all considered, and bonuses were paid, though modest ones.

Off the job, Ayers uses some of his Stanley products to fiddle around with do-it-yourself projects at his spacious house in Avon, Conn. He recently completed a recreation room in the basement for his two young children. Since Ayers travels extensively for his job, he prefers to vacation at home rather than traveling abroad. The one frill this summer, he concedes, will be taking his children to Disney World. "It's one of my favorite places," he says. –ZINA SAWAYA

Norman Augustine

At $1.2 million, Norman Augustine's pay at Martin Marietta doesn't rank him very high on the FORBES executive compensation list. Says Augustine: "Our objective should be to pay a fair salary right at the middle of the pack, and offer other attractions to keep people—such as a nice place to work, interesting things to do and good people to work with."

Taking any other position, he adds, is "irresponsible. If everyone says, 'We want to pay in the top ten percentile,' the salaries become unstable."

"Pay at the middle of the pack."

The defense industry is clearly into difficult times, even for a company like Martin Marietta, whose profits last year increased by 7%, to $328 million, on a nearly 6% gain in revenues, to $6.1 billion. Augustine, 55, acknowledges the problems. "We're in the sixth year of a declining defense budget," he says. With more on the way, "we're just getting splashed by the wave that's coming."

Though Martin Marietta does 80% of its business with the U.S. government, its profitable stone and gravel business balances defense contracting. Unfortunately, the aggregates business is tied to construction—which is suffering right now, too.

Though he works long hours, the energetic Augustine doesn't neglect his hobbies. Fishing is one; another is building elaborate doll houses. Adventure travel is a passion with him: dogsledding, rafting, sailing, hot air ballooning.

Augustine, an aeronautical engineer by training, with undergraduate and graduate degrees from Princeton, has been at Martin Marietta for 14 years. Prior to joining Martin Marietta as a vice president, he spent ten years in government service, including a stint as the under secretary of the Army, a job that paid around $30,000. "I'd like to think they got their money's worth," he says.

Is he bothered that other heads of companies Martin Marietta's size make more than he does? "I love what I'm doing, and I haven't missed a meal in years." –WILLIAM HEUSLEIN

Robert Cizik

"Maybe it's not that I'm underpaid, maybe it's that they're overpaid," says Robert Cizik, Cooper Industries' chief executive for the past 16 years. He doesn't envy the Steve Rosses and the Paul Firemans. Cizik thinks he's amply paid with $1.4 million.

At Cooper pay is tied to performance, and top executives are awarded stock options. Last year, as a group, they got nearly 25,000 options. Cizik views these as strong incentives: Over the past five years Cooper's stock has risen to around 50 from a split-adjusted 21. But Cizik is critical of pay formulas that tie compensation to return on equity or to sales. "Those

"Compensation is an art."

formulas are subject to a great deal of manipulation; they're also subject to an almost antagonistic attitude developed between the person being measured and the person doing the measuring," he argues. "Compensation is not a science, it's an art."

In his success, Bob Cizik has never forgotten that he is the son of a coal miner whose family lived, if not in poverty, certainly in straitened circumstances. His main inheritance was a strong sense of the work ethic, which he has applied with a vengeance to Cooper. He joined in 1961 as head of strategic planning after having served in the Air Force. Cooper was then a one-product company, selling compressors. Cizik embarked on a diversification program to lessen its vulnerability to energy cycles. The company now sells everything from oil drilling equipment to hardware.

And profitably. Cooper's earnings growth is outpacing that of most manufacturing companies, despite a drop in demand for capital goods. Since Cizik took over as chief executive in 1975, sales have grown to over $6 billion from less than $500 million, while earnings have quadrupled to almost $3 a share.

As for his own relatively modest compensation, he says: "There's [only] so much you can do with money. After that there are more interesting things in life." He has time to relax after work by watching a basket-

ball game at home in Houston, and on most weekends he and his wife escape to their beach house in Galveston. Every March he sets aside a week or so for a ski vacation. He says: "I'm having just a hell of a lot of fun."

–ZINA SAWAYA

Scott McNealy

Outside the office—and the hockey rink—Scott McNealy leads a quiet life. He lives alone in a 30-year-old house in Portola Valley, Calif. more notable for its seclusion than for its size. His modesty is demonstrated by the fact that his ego doesn't demand an extravagant salary. Although Sun Microsystems, the computer company he cofounded in 1982, had 1990 sales of almost $3 billion, his salary and bonus last year came to just $1.4

Robert Holmes

More money than he can spend.

million, a substantial sum, especially for a 36-year-old, but a tiny fraction of Sun's revenues and profits. "I've made more money than I'll ever be able to spend," he says. "I mean, how many hockey sticks can you buy?"

The answer is: quite a few. His 1.8 million shares of Sun stock have a recent market value of $59 million. At a recent 37, Sun's stock is trading near its alltime high. It didn't get there the easy way. Sun has had some rough innings. A fourth-quarter 1989 loss, a result in part of inventory tracking problems, caused analysts to wonder publicly whether McNealy was up to his job. But he buckled down, cutting costs, introducing cheaper models of Sun's powerful 32-bit workstation and concentrating on building market share. Sun now controls an estimated 38% of the workstation market.

McNealy has a knack for leading successful teams. In 1972 he captained his suburban Detroit high school tennis team to a state championship. The hockey team, of which he was assistant captain, lost in the semifinals—to the eventual state champs. His golf game was ranked twelfth in the state. Now his local hockey league is starting its summer season. "We're just a bunch of local Joe Six-packs," says the affable McNealy.

Non-A students rejoice: McNealy's school record displayed few signs that he would do well in life. "They called me the illiterate genius: I could think real good but I couldn't talk real good," he says, haltingly. He got a perfect score on the math portion of the SAT, but his verbal score was in the low 600s. Even after graduating with an economics degree from Harvard, it took him three tries to get into Stanford business school. In the meantime, he toughed it out as a foreman in a UAW shop in Centralia, Ill. "What the biz schools do is take proven performers, give them a degree and take credit for whatever happens thereafter," he says.

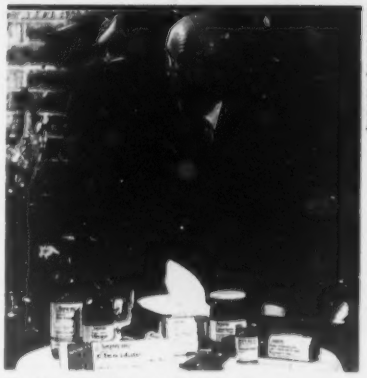
From the beginning, McNealy has run Sun more like a frat house than like a multibillion-dollar high-tech company. There are beer blowouts. Every April Fool's Day employees try to top last year's pranks. (For 1991 they moved a vice president's entire office into an aquarium.) Not surprisingly, McNealy believes that the tie is "one of the most dysfunctional articles of clothing ever invented." He adds: "The only dress code we have is that you must."

–MARTIN KIHN

John Woodhouse

John Woodhouse doesn't believe in high executive salaries, but he does believe in bonuses tied to performance. Woodhouse's base salary represented less than half of his total $1.5 million compensation last year. He claims he purposely underpays his managers, offering them bonuses tied to their divisions' performance.

Those incentive bonuses can be substantial. President Bill Lindig got $217,000 in shares, almost as much as Woodhouse's $255,000. "I don't know how you justify paying the chief executive twice as much as anybody else," he says. "No one can possibly



Dan Ford Connolly/Picture Group

Purposely underpaying his managers.

be that much more important."

Since cofounding Sysco in 1969, Woodhouse has helped turn it into the country's largest distributor of food and related items to restaurants, hospitals and prisons. Sales last year were close to $8 billion. ROE has averaged 15.7% since 1986, and the stock has had a 55% price runup since last year's low—to a recent 39¾.

Woodhouse, 60, grew up in Delaware. In high school he was a 178-pound left guard who made the all-state team. He opted for Wesleyan instead of Dartmouth, where his father was a trustee and his brother had gone. "I'd have been just another Woodhouse at Dartmouth," he says.

His first job was as an officer at the Canadian Imperial Bank of Commerce. But the track there was too slow for him. "At 39 my boss looked awfully healthy," he says. After five years at Ford, Woodhouse was wooed by Robert Cizik to Cooper Industries. By the time he became Cooper's treasurer, he was talking to an older entrepreneur, John Baugh, about Baugh's vision of a national company made up of food service distributors. Together, they founded Sysco.

Woodhouse lives in Houston, where Sysco is headquartered, with his wife of 36 years. The couple makes an annual two-week pilgrimage into the wilderness of northern California. And Woodhouse owns a small house on 5 acres in New Hampshire. But work is his main avocation. "I've only been inside the place four times in the last ten years," he says of his New England retreat.

–MARTIN KIHN

Here's what turned up when we asked our computers to generate lists of chief executives who were, statistically, a little different from all the rest.

Standout executives

Biggest bonuses

Company/chief executive	1990 bonus ($000)
Reebok International/Paul B Fireman	$14,464
Walt Disney/Michael D Eisner	10,483
BHC Communications/Herbert J Siegel	7,568
Toys 'R' Us/Charles Lazarus	4,957*
Paramount Comm/Martin S Davis	2,696
Great A&P Tea/James Wood	2,508
RJR Nabisco/Louis V Gerstner Jr	2,045
Tosco/Thomas D O'Malley	1,808
First Financial Mgmt/Patrick H Thomas	1,800
UST/Louis F Bantle	1,523

*Prior year data.

Biggest drops in salary plus bonus

Company/chief executive	—Salary + bonus— 1990 ($000)	1989 ($000)	% change
Hibernia/Martin C Miler	$512	$1,180	–57%
PaineWebber Group/Donald B Marron	950	2,050	–54
NCNB/Hugh L McColl Jr	700	1,500	–53
Clark Equipment/Leo J McKernan	722	1,540	–53
Brown-Forman/W L Lyons Brown Jr	481	979	–51
Continental Bank/Thomas C Theobald	568	1,150	–51
Bank South/Robert P Guyton	367	732	–50
First Chicago/Barry F Sullivan	736	1,461	–50
Bank of Boston/Ira Stepanian	650	1,248	–48
Michigan National/Robert J Mylod	436	825	–47

Largest stock gains

Company/chief executive	Stock owned ($mil)	Stock gains ($mil)
Time Warner/Steven J Ross[1]	§	$57.2
UAL/Stephen M Wolf	$12.0	14.8
Apple Computer/John Sculley	16.2	14.5
Giant Food/Israel Cohen	83.9	10.2
Genentech/G Kirk Raab	0.4	8.3
Waste Management/Dean L Buntrock	113.8	8.1
Sotheby's Holdings/Michael L Ainslie	10.0	7.7
Warner-Lambert/Joseph D Williams	6.9	6.6
Capital Cities/ABC/Daniel B Burke	20.1	5.6
Merck/P Roy Vagelos	33.3	5.1

[1]Office jointly held with N J Nicholas Jr. §Less than $100,000.

The youngest

Company/chief executive	Total comp ($000)	—Tenure (years)— with firm	as CEO	Age
Microsoft/William H Gates III	$261	16	10	34
Sun Microsystems/Scott G McNealy	1,407	9	7	36
Zions Bancorp/Harris H Simmons	295[1]	10	—[2]	36
Valley Federal S&L/Scott A Braly[3]	261	2	1	37
American Family/Daniel P Amos	1,325	18	1	39
Bruno's/Ronald G Bruno	314[1]	18	1	39
Equitable of Iowa/Frederick S Hubbell	274	8	2	40
Commerce Bcshs/David W Kemper	547	13	5	40
National Intergroup/Robert L King	317[1]	15	—[2]	40
Smith's Food & Drug/Jeffrey P Smith	821	21	3	41

[1]New CEO; compensation is for another executive office. [2]New CEO; less than 6 months' service. [3]Acting CEO.

The oldest

Company/chief executive	Total comp ($000)	—Tenure (years)— with firm	as CEO	Age
Petrie Stores/Milton J Petrie	$150*	64	64	88
Giant Food/Israel Cohen	11,491	55	14	78
WR Grace/J Peter Grace	1,671	55	46	78
20th Century Inds/Louis W Foster	1,404	35	35	78
Amerada Hess/Leon Hess	310	45	26	77
Dillard Dept Strs/William T Dillard Sr	2,221	52	52	76
Sequa/Norman E Alexander	1,671	41	34	76
Weis Markets/Sigfried Weis	448	53	31	75
Adolph Coors/William K Coors	NA	52	21	74
FlightSafety Intl/Albert L Ueltschi	367	40	40	74

*Prior year data. NA: Not available.

What 800 companies paid their bosses

A MILLION BUCKS isn't what it used to be, but it still isn't bad for a year's work: 258 out of 800 chief executives in this survey made $1 million or more in salary and bonuses alone last year. In an age when baseball players and movie stars make multimillions in a single year, it's not surprising that people who carry heavy responsibilities for workers, shareholders and consumers should eat and live well. And while few baseball players and few performers reach the top, the same can be said of executives: Many are called but few are chosen. Most business executives spend their lives in relative obscurity and only modest affluence. While some 25-year-old kids become overnight millionaires in baseball, it takes most people a lot longer in the business world. The average chief executive officer in our survey put in nearly 15 years of service before moving to the executive suite and has already had an 8-year tenure as chief executive. The "typical" executive, 56, is in charge of nearly 26,000 employees and accountable for almost $5 billion in sales and $193 million in profits.

Yes, there are tremendous inconsistencies in the way chief executives are rewarded. Steve Ross so impressed his loyal board of directors at Time Warner that they handed him some $78 million last year. But the average chief executive in our survey received a salary plus bonus of $932,000 and total compensation of $1,592,000 in 1990. And remember: These salaries are for Forbes 500s companies only. The typical chief executive of the typical U.S. company had to be content with much less.

In the tables below, the "Salary + bonus" category includes all cash, deferred salary and bonus payments in 1990, as well as directors' fees and commissions. The "other" column includes payments made under long-

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Abbott Laboratories/Duane L Burnham	59	Excelsior MN	Minnesota, BS '63/MBA '72	finance	9	1
Acuson/Samuel H Maslak	42	Washington DC	MIT, BS '71/PhD '75	technical	10	10
Adobe Systems/John E Warnock	50	Salt Lake City UT	Utah, BS '61/PhD '69	technical	9	9
Aetna Life & Cas/James T Lynn	64	Cleveland OH	Case Western Res, BA '48/Harvard, LLB '51	legal	13	6
Affiliated Bkshs Colo/Kent O Olin	60	Chicago IL	Ripon, BA '55	banking	20	4
HF Ahmanson/Richard H Deihl	62	Whittier CA	Whittier, BA '49	banking	32	7
Air Prods & Chems/Dexter F Baker	64	Worcester MA	Lehigh, BA '50/MBA '57	technical	39	4
Albertson's/Gary G Michael	50	Laurel MT	Idaho, BS '62	finance	25	‡
Alco Standard/Ray B Mundt	62	Appleton WI	U Wisconsin Milwaukee, BS '53	operations	21	11
Alexander & Alexander/Tinsley H Irvin	57	Cornelia GA	Georgia St, BBA '55	insurance	38	4
Alexander & Baldwin/Robert J Pfeiffer	71	Fiji		operations	31	11
Alleghany/Fred M Kirby	71	Wilkes Barre PA	Lafayette, AB '42/Harvard, MBA '47	finance	33	24
Allegheny Ludlum/Robert P Bozzone	57	Glens Falls NY	Rensselaer Polytech, BS '55	technical	36	1
Allegheny Power/Klaus Bergman	60	Germany	Columbia, AB '53/LLB '55	legal	19	6
Allergan/Gavin S Herbert	59	Los Angeles CA	USC, BS '54	administration	41	31
Allied-Signal/Edward L Hennessy Jr	63	Boston MA	Fairleigh Dickinson, BA '55	finance	12	12
Alltel/Joe T Ford	53	Conway AR	Arkansas, BS '59	administration	32	4
Alcoa/Paul H O'Neill	55	St Louis MO	Cal St Fresno, BA '60/Indiana, MPA '66	administration	4	4
ALZA Corp/Martin S Gerstel	49	Norwalk CT	Yale, BS '64/Stanford, MBA '68	finance	23	4
AMAX/Allen Born	57	Durango CO	Texas El Paso, BS '58	technical	24	5
Amdahl/John C Lewis	55	Livingston MT	Cal St Fresno, BS '57	marketing	14	8
Amerada Hess/Leon Hess*	77	Asbury Park NJ		administration	45	26
America West Airlines/Edward R Beauvais*	55	Pueblo CO	Regis, BS '58	administration	10	10
American Brands/William J Alley	61	Vernon TX	Oklahoma, BBA '51/JD '54	insurance	24	4
American Capital/Jack D Burstein	45	Poland	CUNY City Col, BA '66	finance	7	7
American Cyanamid/George J Sella Jr	62	West New York NJ	Princeton, BS '50/Harvard, MBA '52	operations	37	8

*Company founder. ‡New CEO, less than six months' service.

term compensation plans, restricted stock awards vested or released from restrictions in 1990, thrift plan contributions, company-paid health and insurance plans and other benefits. Note: In cases where a date or share price for stock awards released from restriction was not reported by the company, we used the average price for the company's fiscal year in calculating the value of the stock. "Stock gains" shows the net value in shares or cash realized from the exercise of stock options (or stock appreciation rights) during the fiscal year.

However extravagant chief executive salaries were in some cases, in the overall picture they loom small. In 1990 the 800 chief executives of Forbes 500s companies earned $746 million in salaries and bonuses, another $232 million from other compensation and $296 million in stock gains. The grand total: $1.3 billion. Even swollen by a few grandiose paychecks like Steve Ross', that came to less than 1% of the 800 companies' $154 billion in profits.

The 800 chief executives as a group are wealthy people. They own $39 billion of their companies' stock—an average of $49 million worth. The column headed "Stock owned" shows the value of each executive's holdings as a percentage of his firm's total market value. In determining stock holdings we include shares of beneficial interest and shares held by an executive's wife and minor children, even if ownership is legally disclaimed. Shares held by family members active in the business or by foundations are not included.

They are rich and powerful but they are not invulnerable. Through death, dethronement and voluntary and involuntary retirement, there was a 20% turnover among chief executives of Forbes 500s companies. ■

Compensation					Rank	Stock owned		Company data[1]		Company
Salary ($000)	+ bonus % change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$1,161	—	$6	$1,699	$2,866	83	0.04%	$7.6	$6,159	$966	Abbott Laboratories
600	NA	—	—	600	570	5.49	63.6	283	48	Acuson
379	NA	—	—	379	721	3.68	43.2	169	40	Adobe Systems
1,067	1%	42	—	1,108	344	0.03	1.3	19,021	614	Aetna Life & Cas
228	NA	18	1	247	775	0.17	0.3	276	10	Affiliated Bkshs Colo
1,225	3	1,277	—	2,502	108	0.23	4.4	4,778	191	HF Ahmanson
1,094	7	19	—	1,114	338	0.27	9.5	2,967	241	Air Prods & Chems
697	NA	42	1,452	2,191	135	0.11	7.1	8,219	234	Albertson's
1,053	–11	—	—	1,053	367	0.52	6.3	4,361	154	Alco Standard
817	25	92	—	908	425	0.13	1.3	1,338	55	Alexander & Alexander
1,675	14	405	—	2,080	155	0.49	5.9	723	115	Alexander & Baldwin
971	NA	709	—	1,680	205	12.98	80.1	1,377	69	Alleghany
609	–33	56	—	665	532	9.79	84.1	1,085	69	Allegheny Ludlum
466	6	4	—	470	666	‡	0.2	2,298	191	Allegheny Power
867	116	237	—	1,104	345	0.78	11.9	884	81	Allergan
1,688	1	1,266	—	2,953	80	0.09	3.4	12,343	462	Allied-Signal
752	4	47	178	977	400	0.32	10.1	1,574	193	Alltel
825	–37	760	—	1,584	220	‡	§	10,710	295	Alcoa
358	10	107	—	465	672	0.17	3.6	99	25	ALZA Corp
1,162	–2	749	—	1,912	167	0.04	0.8	3,788	226	AMAX
1,031	19	—	—	1,031	372	0.09	1.6	2,159	184	Amdahl
300	0	10	—	310	759	12.70	560.6	6,948	483	Amerada Hess
984	NA	6	—	990	391	0.68	0.9	1,316	–77	America West Airlines
1,627	6	177	—	1,804	181	0.03	2.5	8,270	596	American Brands
373	–28	34	—	406**	710	3.96	0.2	521	–40	American Capital
1,237	16	754	269	2,260	127	0.05	2.5	4,570	353	American Cyanamid

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 29, 1991. ‡Less than 0.01%. §Less than $100,000. **Prior year data. NA: Not available.

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
American Electric/Richard E Disbrow	60	Newark NJ	Lehigh, BS '52/MIT, MS '65	technical	37	‡
American Express/James D Robinson III	55	Atlanta GA	Georgia Tech, BS '57/Harvard, MBA '61	finance	20	14
American Family/Daniel P Amos	39	Pensacola FL	Georgia, BS '73	insurance	18	1
American General/Harold S Hook	53	Kansas City MO	Missouri, BS '53/MA '54	insurance	21	13
American Greetings/Morry Weiss	51	Czechoslovakia	Case Western Res, BA '61	administration	30	3
American Home Prods/John R Stafford	53	Harrisburg PA	Dickinson, BA '59/George Washington, LLB '62	legal	21	4
American Intl Group/Maurice R Greenberg	66	New York NY	Miami, BA '48/New York Law Sch, LLB '50	insurance	30	24
American Medical/Harry J Gray	71	Milledgeville GA	Illinois, BS '41/MS '47	administration	2	2
American Natl Ins/Orson C Clay	60	Bountiful UT	Brigham Young, BS '55/Harvard, MBA '59	finance	21	14
American Petrofina/Ronald W Haddock	50	St Elmo IL	Purdue, BS '63	administration	5	2
American President/W Bruce Seaton	66	Philadelphia PA	UCLA, BS '49	finance	21	8
American Savings/William G Lillis	60	Ann Arbor MI	Rensselaer Polytech, BCE '52	banking	14	1
American Stores/Jonathan L Scott	61	Nampa ID	Idaho, BA '51	sales	4	2
American Tel & Tel/Robert E Allen	56	Joplin MO	Wabash, BA '57	administration	34	3
Ameritech/William L Weiss	62	Big Run PA	Penn St, BS '51	operations	40	7
Ameritrust/Craig R Smith	65	Cleveland OH	Case Western Res, BS '46	technical	1	1
Ames Dept Stores/Stephen L Pistner	59	St Paul MN	Minnesota, BSBA '53	sales	1	1
Amgen/Gordon M Binder	55	St Louis MO	Purdue, BSEE '57/Harvard, MBA '62	finance	9	3
Amoco/H Laurance Fuller	52	Moline IL	Cornell, BSCE '61/DePaul, JD '65	technical	30	‡
AMP/Harold A McInnes	63	Groton CT	MIT, BSME '49	operations	26	1
AMR/Robert L Crandall	56	Westerly RI	Rhode Island, BS '57/Pennsylvania, MBA '60	finance	18	6
AmSouth Bancorp/John W Woods	59	Evanston IL	U of the South, BA '54	banking	22	19
Anadarko Petroleum/Robert J Allison Jr	52	Evanston IL	Kansas, BS '60	technical	18	12
Anchor Bancorp/James M Large Jr	59	Philadelphia PA	Princeton, BSE '54	banking	2	2
Anheuser-Busch Cos/August A Busch III	53	St Louis MO		operations	34	16
Aon/Patrick G Ryan	54	Milwaukee WI	Northwestern, BS '59	insurance	27	9
Apple Computer/John Sculley	52	New York NY	Brown, BS '61/Pennsylvania, MBA '63	marketing	8	8
Archer Daniels/Dwayne O Andreas	73	Worthington MN		finance	21	21
Argonaut Group/Charles E Rinsch	58	Vincennes IN	Indiana, BS '53/Stanford, MBA '60	finance	25	3
Arkla/Thomas F McLarty III	44	Hope AR	Arkansas, BA '69	administration	8	6
Armco/Robert L Purdum	55	Wilmington OH	Purdue, BS '56	technical	29	1
Armstrong World Inds/William W Adams	57	Dubuque IA	Iowa St, BS '56	marketing	35	3
Arvin Industries/James K Baker	59	Wabash IN	DePauw, BA '53/Harvard, MBA '58	administration	36	10
Asarco/Richard de J Osborne	57	Bronxville NY	Princeton, AB '56	finance	16	5
Ashland Oil/John R Hall	58	Dallas TX	Vanderbilt, BS '55	operations	33	10
Atlantic Energy/E Douglas Huggard	57	Wilmington DE	Delaware, BME '55/MME '60	technical	36	6
Atlantic Richfield/Lodwrick M Cook	62	Castor LA	Louisiana St, BS '50/SMU, MBA '65	operations	35	6
Autodesk/Alvar J Green	45	England	Eastern Michigan U, BA '74	finance	7	5
Automatic Data/Josh S Weston	62	Brooklyn NY	CUNY City Col, BS '50/U of New Zealand, MA '52	operations	21	8
Avery Dennison/Charles D Miller	63	Hartford CT	Johns Hopkins, BA '49	operations	27	13
Avnet/Leon Machiz	66	Brooklyn NY		marketing	39	2
Avon Products/James E Preston	58	Cleveland OH	Northwestern, BS '55	marketing	27	2
Baker Hughes/James D Woods	59	Falmouth KY	Cal St Fullerton, BA '66	finance	36	4

‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$540	NA	$6	—	$546††	606	‡	$0.4	$5,167	$496	American Electric
1,798	–31%	1,743	—	3,541	60	0.12%	15.3	24,332	338	American Express
942*	NA	384	—	1,325	281	0.72	15.0	2,678	117	American Family
1,336	8	221	—	1,557	226	0.14	6.5	4,481	562	American General
555	0	102	—	657	537	1.53	19.1	1,374	79	American Greetings
1,700	8	26	—	1,726	197	0.03	5.7	6,775	1,231	American Home Prods
1,750	11	—	—	1,750	193	2.12	422.6	15,702	1,442	American Intl Group
‡‡	NA	—	—	—	—	41.07[2]	190.1	2,507	–36	American Medical
624	12	12	—	636	549	0.09	0.9	1,100	109	American Natl Ins
530	32	829	—	1,359	272	‡	§	3,978	126	American Petrofina
791	35	71	—	862	445	0.98	3.6	2,270	–60	American President
445	49	27	—	473	662	0.53	§	371	–79	American Savings
1,076	NA	116	—	1,192**	317	‡	0.2	22,156	182	American Stores
2,021	16	655	—	2,676	95	‡	2.5	37,285	2,735	American Tel & Tel
1,295	–1	389	$468	2,152	140	0.02	3.8	10,663	1,254	Ameritech
400*	NA	—	—	40\	716	0.02	0.1	1,281	–96	Ameritrust
2,000*	0	90	—	2,090	154	‡	§	3,753	–966	Ames Dept Stores
360	NA	—	—	360	736	0.34	15.8	299	4	Amgen
1,142	NA	285	1,001	2,428	114	0.02	5.2	28,010	1,913	Amoco
577	—	42	—	619	558	0.02	1.1	3,044	287	AMP
600	–44	3,051	—	3,651	57	0.25	10.8	11,720	–40	AMR
822	46	—	—	822	458	0.24	1.6	896	77	AmSouth Bancorp
1,080	13	—	1,320	2,400	120	0.53	8.1	388	55	Anadarko Petroleum
527	41	157	—	684	519	0.18	0.1	923	–135	Anchor Bancorp
1,738	19	25	—	1,763	189	0.26	37.4	10,744	842	Anheuser-Busch Cos
912	15	65	—	976	401	14.16	346.7	2,626	239	Aon
2,199	–2	—	14,531	16,730	3	0.23	16.2	5,741	501	Apple Computer
1,946	45	—	—	1,946	166	2.77	184.1	8,388	459	Archer Daniels
479	5	3	184	666	530	0.20	1.7	611	90	Argonaut Group
526	9	361	—	887	431	0.07	1.4	2,436	106	Arkla
630	—	36	—	666	531	0.06	0.3	1,735	–85	Armco
622	7	—	140	762	481	0.06	0.6	2,531	133	Armstrong World Inds
585	27	—	—	585	576	0.64	2.6	1,687	34	Arvin Industries
1,107	5	6	13	1,126	335	0.10	1.0	2,209	149	Asarco
1,099	17	607	—	1,707	199	0.08	1.5	8,731	149	Ashland Oil
363	12	10	—	373	726	0.07	0.5	717	69	Atlantic Energy
2,265	17	89	2,494	4,847	36	0.04	8.3	18,008	1,688	Atlantic Richfield
281	20	—	530	811**	463	0.04	0.5	238	57	Autodesk
780	17	590	1,649	3,019	78	0.23	11.4	1,736	220	Automatic Data
950	NA	79	1,012	2,041	159	0.21	3.2	2,590	6	Avery Dennison
1,143	23	—	—	1,143	329	0.17	1.6	1,756	57	Avnet
1,188	41	701	336	2,226	129	0.36	9.3	3,454	195	Avon Products
1,253	13	435	—	1,688	202	0.11	4.5	2,719	153	Baker Hughes

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 29, 1991. [2]Includes indirect ownership. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. **Prior year data. ††New CEO; cash compensation is for another executive office. ‡‡Directors fees only. NA: Not available.

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Ball Corp/Delmont A Davis	55	Hillside CO	Colorado, BS '59	technical	22	‡
Bally Manufacturing/Arthur M Goldberg	49	Newton NJ	Rutgers, BA '63/Villanova, JD '66	legal	1	1
Baltimore Bancorp/Harry L Robinson	62	Baltimore MD	Baltimore Commerce, BS '72/Loyola, MBA '80	banking	44	6
Baltimore G&E/George V McGowan	63	Baltimore MD	Maryland, BS '51	technical	40	3
Banc One/John B McCoy	47	Columbus OH	Williams, BA '65/Stanford, MBA '67	banking	24	7
Bancorp Hawaii/H Howard Stephenson	61	Wichita KS	Michigan, BA '50/Missouri, JD '58	banking	32	2
Bandag/Martin G Carver	43	Davenport IA	U of Iowa, BA '70/Indiana, MBA '72	finance	12	9
Bank of Boston/Ira Stepanian	55	Cambridge MA	Tufts, BA '58/Boston C, MBA '71	banking	28	4
Bank of New York/John Carter Bacot	58	Utica NY	Hamilton, AB '55/Cornell, LLB '58	finance	31	9
Bank South/Robert P Guyton	54	Blue Mountain MS	Mississippi, BA '58/Harvard, MBA '66	banking	11	10
BankAmerica/Richard M Rosenberg	61	Fall River MA	Suffolk U, BS '52/Golden Gate U, LLB '66	banking	5	1
Bankers Trust NY/Charles S Sanford Jr	54	Savannah GA	Georgia, BA '58/Pennsylvania, MBA '60	banking	30	4
BanPonce/Alberto M Paracchini	59	Ponce PR	Pennsylvania, BS '53/MBA '57	finance	35	8
CR Bard/George T Maloney	58	Philadelphia PA	Siena, BS '54	sales	32	2
Barnett Banks/Charles E Rice	55	Chattanooga TN	Miami, BBA '58/Rollins, MBA '64	banking	26	12
Bausch & Lomb/Daniel E Gill	54	Ziegler IL	Northwestern, BS '58	finance	13	10
Baxter International/Vernon R Loucks Jr	56	Evanston IL	Yale, BA '57/Harvard, MBA '63	marketing	25	11
Bay View Capital/Robert E Barnes	58	Greenwich CT	Princeton, BA '55/American Grad School, MBA '61	banking	7	7
BayBanks/William M Crozier Jr	58	Brooklyn NY	Yale, BA '54/Harvard, MBA '63	banking	27	17
BB&T Financial/John A Allison	42	Charlotte NC	N Carolina, BBA '71/Duke, MBA '73	banking	20	2
Bear Stearns Cos/Alan C Greenberg	63	Wichita KS	Missouri, BA '49	sales	42	13
Becton Dickinson/Raymond V Gilmartin	50	Washington DC	Union, BSEE '63/Harvard, MBA '68	operations	15	2
Bell Atlantic/Raymond W Smith	53	Pittsburgh PA	Carnegie-Mellon, BS '59/Pittsburgh, MBA '67	operations	32	2
BellSouth/John L Clendenin	57	El Paso TX	Northwestern, BA '55	operations	36	7
Beneficial Corp/Finn M W Caspersen	40	New York NY	Brown, AB '63/Harvard, LLB '66	legal	19	15
Bergen Brunswig/Robert E Martini	59	Hackensack NJ	Ohio St, BS '54	technical	35	1
Berkshire Hathaway/Warren E Buffett	60	Omaha NE	Nebr Lincoln, BS '50/Columbia, MBA '51	finance	26	21
Bethlehem Steel/Walter F Williams	62	Upland PA	Delaware, BCE '51	operations	40	5
Betz Laboratories/John F McCaughan	55	Canada	Sir George Williams, BA '57	administration	31	9
Beverly Enterprises/David R Banks	54	Arcadia WI	Arkansas, BA '59	operations	19	2
BHC Commun/Herbert J Siegel	63	Philadelphia PA	Lehigh, BA '50	administration	24	14
Bindley Western Inds/William E Bindley*	50	Terre Haute IN	Purdue, BS '61	finance	24	24
Biomet/Dane A Miller*	45	Bellefontaine OH	GMI Inst, BS '69/Cincinnati, PhD '74	technical	13	13
Black & Decker/Nolan D Archibald	47	Ogden UT	Weber St, BS '68/Harvard, MBA '70	marketing	6	5
H&R Block/Henry W Bloch*	68	Kansas City MO	Michigan, BS '43	administration	36	36
Blockbuster/H Wayne Huizenga	53	Evergreen Park IL		operations	4	4
Boatmen's Bancshs/Andrew B Craig III	60	Buffalo NY	Cornell, BA '55	administration	6	3
Boeing/Frank A Shrontz	59	Boise ID	Idaho, LLB '54/Harvard, MBA '58	administration	33	5
Boise Cascade/John B Fery	61	Bellingham WA	Washington, BA '53/Stanford, MBA '55	operations	34	19
Borden/Romeo J Ventres	66	Boston MA	Worcester Polytech, BS '45	operations	34	5
Boston Edison/Bernard W Reznicek	54	Dodge NE	Creighton, BS '58/Nebr Lincoln, MBA '79	operations	4	‡
Bowater/Anthony P Gammie	56	England		operations	36	8
Bristol-Myers Squibb/Richard L Gelb	66	New York NY	Yale, BA '45/Harvard, MBA '50	administration	41	19

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$462	NA	$1	—	$463††	675	0.06%	$0.4	$1,357	$50	Ball Corp
700*	NA	—	—	700	512	5.00	7.5	2,061	–83	Bally Manufacturing
368	13%	—	—	368	729	0.24	0.3	351	4	Baltimore Bancorp
426	–6	48	—	474	658	0.08	2.0	2,159	175	Baltimore G&E
1,248	16	—	$163	1,411	256	0.20	12.2	3,406	423	Banc One
849	22	264	101	1,214	308	0.28	3.1	954	96	Bancorp Hawaii
348	13	20	—	368	730	5.01	65.9	586	79	Bandag
650	–48	26	—	676	524	0.06	0.4	5,598	–438	Bank of Boston
875	–25	132	—	1,007	384	0.21	4.0	5,333	308	Bank of New York
367	–50	—	—	367	732	0.22	0.5	583	–2	Bank South
1,600	—	56	—	1,656	211	0.03	2.0	12,323	877	BankAmerica
1,500	0	108	127	1,735	196	0.20	7.7	7,919	665	Bankers Trust NY
320	0	2,367	—	2,687	92	0.04	0.2	637	63	BanPonce
459	NA	521	—	979	399	0.25	3.6	785	40	CR Bard
925	–3	156	—	1,081	356	0.09	1.5	3,296	101	Barnett Banks
1,340	5	1,129	169	2,638	97	0.15	3.7	1,369	131	Bausch & Lomb
1,749	20	709	—	2,457	110	0.15	14.9	8,100	40	Baxter International
364	–8	—	—	364	735	0.04	§	296	7	Bay View Capital
381	–19	—	76	457	678	0.34	0.8	1,097	–70	BayBanks
491	30	13	—	504	632	0.15	0.7	561	54	BB&T Financial
4,212	–7	—	—	4,212	50	3.55	55.2	2,376	103	Bear Stearns Cos
727	24	277	194	1,198	316	0.06	1.6	2,066	184	Becton Dickinson
1,284	4	533	523	2,340	122	0.02	3.1	12,298	1,313	Bell Atlantic
1,373	7	588	209	2,169	138	0.01	2.7	14,345	1,632	BellSouth
1,302	6	86	—	1,388	265	3.42	44.9	1,756	144	Beneficial Corp
834	NA	—	—	834	452	5.64	49.4	4,610	66	Bergen Brunswig
100	0	—	—	100	786	44.68	4,083.2	2,659	395	Berkshire Hathaway
679	26	60	—	739	495	0.04	0.4	4,899	–464	Bethlehem Steel
571	NA	171	—	741	493	0.26	4.0	597	66	Betz Laboratories
559	29	109	—	668	528	0.38	2.8	2,113	13	Beverly Enterprises
8,353	–39	18	—	8,371[2]	13	‡ [3]	§	278	481	BHC Commun
570	22	13	—	583	579	47.48	51.3	2,042	7	Bindley Western Inds
212	NA	—	—	212	780	5.45	82.1	194	37	Biomet
1,292	–1	282	—	1,574	223	0.04	0.4	4,832	51	Black & Decker
833	19	224	—	1,057	364	5.98	165.4	1,101	118	H&R Block
398	NA	—	—	398	718	6.17	112.9	633	69	Blockbuster
984	35	—	—	984	394	0.03	0.4	1,515	135	Boatmen's Bancshs
1,095	20	35	977	2,107	151	‡	1.1	27,595	1,385	Boeing
694	–32	63	—	756	482	0.26	2.6	4,186	75	Boise Cascade
1,619	9	270	—	1,888	173	0.04	2.2	7,633	364	Borden
493	NA	48	—	541††	613	0.01	§	1,259	80	Boston Edison
625	–8	34	—	659	536	0.07	0.6	1,380	87	Bowater
2,102	25	2,274	389	4,766	37	0.25	99.0	10,300	1,748	Bristol-Myers Squibb

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 29, 1991. [2]Salary paid by Chris-Craft Inds. [3]Indirect ownership through Chris-Craft Inds. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. ††New CEO; cash compensation is for another executive office. NA: Not available.

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Broad/Eli Broad*	57	New York NY	Michigan St, BA '54	finance	34	34
Brown-Forman/W L Lyons Brown Jr	54	Louisville KY	Virginia, BA '58	marketing	31	15
Brown Group/Bernard A Bridgewater Jr	57	Tulsa OK	Oklahoma, LLB '58/Harvard, MBA '64	administration	12	9
Browning-Ferris Inds/William D Ruckelshaus	58	Indianapolis IN	Princeton, BA '57/Harvard, LLB '60	legal	4	3
Bruno's/Ronald G Bruno	39	Birmingham AL	Alabama, BS '74	operations	18	1
Brunswick/Jack F Reichert	60	West Allis WI		marketing	34	9
Burlington Northern/Gerald Grinstein	58	Seattle WA	Yale, BA '54/Harvard, LLB '57	legal	4	2
Burlington Resources/Thomas H O'Leary	57	New York NY	Holy Cross, BA '54/Pennsylvania, MBA '61	finance	9	2
Cabot/Samuel W Bodman	52	Chicago IL	Cornell, BS '61/MIT, PhD '64	finance	4	3
CalFed/Jerry St Dennis	49	Tacoma WA	UCLA, BA '65/MA '67	finance	10	1
CalMat/A Frederick Gerstell	53	New York NY	Princeton, AB '60	administration	16	3
Campbell Soup/David W Johnson	58	Australia	U of Sydney, BE '54/Chicago, MBA '58	administration	1	1
C&S/Sovran/Bennett A Brown	61	Kingstree SC	Presbyterian, BS '50	banking	36	13
Capital Cities/ABC/Daniel B Burke	62	Albany NY	Vermont, AB '50/Harvard, MBA '55	operations	22	1
Capital Holding/Irving W Bailey II	49	Cambridge MA	Colorado, BA '63/NYU, MBA '68	finance	10	3
Carnival Cruise Lines/Micky Arison	41	Israel		administration	17	12
Carolina Power & Lt/Sherwood H Smith Jr	56	Jacksonville FL	N Carolina, AB '56/JD '60	legal	26	12
Carter Hawley Hale/Philip M Hawley	65	Portland OR	Calif Berkeley, BS '47	sales	33	14
Castle & Cooke/David H Murdock	68	Kansas City MO		finance	9	6
Caterpillar/Donald V Fites	57	Tippecanoe IN	Valparaiso, BS '56/MIT, MS '71	marketing	35	1
CBI Industries/John E Jones	56	Kansas City MO	Carleton, BA '56	banking	11	2
CBS/Laurence A Tisch	68	Brooklyn NY	NYU, BS '42/Pennsylvania, MA '43	finance	5	4
Cellular Commun/William B Ginsberg*	47	Childress TX	Harvard, BA '66/PhD '71	finance	11	10
Centel/John P Frazee Jr	46	Staunton VA	Randolph-Macon, BA '66	operations	19	4
Centerior Energy/Richard A Miller	64	Cleveland OH	Case Western Res, BBA '50/Harvard, LLB '53	legal	31	3
Centex/Laurence E Hirsch	45	New York NY	Pennsylvania, BS '68/Villanova, JD '71	legal	6	3
Central & So West/E R Brooks	53	Slaton TX	Texas Tech, BSEE '61	technical	30	‡
Central Bancshares/D Paul Jones Jr	48	Birmingham AL	Alabama, BS '64/New York Law Sch, LLM '68	legal	13	‡
Central Fidelity Bks/Carroll L Saine	56	Lincolnton NC	Lenoir-Rhyne, BA '54/Richmond, MS '65	banking	34	10
Champion Intl/Andrew C Sigler	59	Brooklyn NY	Dartmouth, BA '53/MBA '56	sales	35	17
Chase Manhattan/Thomas G Labrecque	52	Long Branch NJ	Villanova, BA '60	banking	27	1
Chemical Banking/Walter V Shipley	55	Newark NJ	NYU, BS '61	banking	35	8
Chevron/Kenneth T Derr	54	Wilkes-Barre PA	Cornell, BSME '59/MBA '60	technical	31	2
Chiquita Brands Intl/Carl H Lindner	72	Dayton OH		finance	7	7
Chiron/Edward E Penhoet	50	Oakland CA	Stanford, AB '63/Washington, PhD '68	technical	10	10
Chrysler/Lee A Iacocca	66	Allentown PA	Lehigh, BS '45/Princeton, ME '46	operations	13	12
Chubb/Dean R O'Hare	48	Jersey City NJ	NYU, BS '63/Pace, MBA '68	insurance	28	3
Cigna/Wilson H Taylor	47	Hartford CT	Trinity College CT, BS '64	insurance	27	3
Cincinnati Bell/Dwight H Hibbard	67	Hadley MA	MIT, BS '49	technical	42	7
Cincinnati Financial/Robert B Morgan	57	Yorkes KY	Eastern Kentucky, BA '54	administration	25	‡
Cincinnati G&E/Jackson H Randolph	60	Cincinnati OH	Cincinnati, BBA '58/MBA '68	finance	32	5
Circle K/Robert A Dearth Jr†	46	Birmingham AL	Wesleyan, BA '66/Virginia, MBA '68	operations	1	1
Circuit City Stores/Richard L Sharp	44	Washington DC		technical	8	5

*Company founder. †Chief operating officer. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$853	5%	$36	—	$889	430	21.47%	$75.6	$869	$40	Broad
481	–51	525	—	1,005	385	34.16	754.1	1,074	143	Brown-Forman
593	3	5	—	598**	573	0.42	1.8	1,764	32	Brown Group
806	–31	—	$187	993	390	0.01	0.5	3,054	–50	Browning-Ferris Inds
275	NA	39	—	314††	758	0.44	7.1	2,521	65	Bruno's
1,119	47	390	—	1,509	235	0.59	7.2	2,478	71	Brunswick
1,287	–12	265	—	1,552	227	0.30	7.0	4,674	222	Burlington Northern
1,170	11	102	—	1,272	294	0.03	1.4	1,871	229	Burlington Resources
650	47	1,789	—	2,439	112	1.06	9.2	1,714	72	Cabot
395	—	12	—	407	708	0.07	0.1	2,164	–257	CalFed
605	–15	43	—	648	543	0.15	0.9	421	81	CalMat
892*	NA	932	—	1,824	179	0.08	8.4	6,325	57	Campbell Soup
880	NA	165	—	1,046	368	0.09	2.4	5,310	229	C&S/Sovran
1,033	NA	116	5,584	6,733	23	0.26	20.1	5,386	478	Capital Cities/ABC
1,142	–12	1,165	519	2,826	85	0.15	3.4	2,577	166	Capital Holding
693	7	—	—	693	516	1.49	49.9	1,391	206	Carnival Cruise Lines
487	6	6	—	493	643	0.05	2.1	2,617	280	Carolina Power & Lt
1,032	38	5	32	1,069	360	1.71	1.0	2,765	–15	Carter Hawley Hale
1,300	–13	—	—	1,300**	286	22.41	470.0	3,003	121	Castle & Cooke
558	NA	—	83	642	548	0.01	0.7	11,436	210	Caterpillar
713	31	39	—	752	485	0.23	2.4	1,576	55	CBI Industries
1,350	2	217	—	1,567	225	‡ [2]	§	3,261	112	CBS
246	5	—	—	246	776	0.99	14.1	114	26	Cellular Commun
930	38	272	—	1,202	314	0.09	2.7	1,149	65	Centel
465	11	9	17	492	644	0.02	0.5	2,368	265	Centerior Energy
643	28	20	—	662	534	‡	§	2,289	55	Centex
381	NA	53	38	473††	660	0.02	0.8	2,744	356	Central & So West
467	NA	9	—	476††	656	0.79	3.4	513	49	Central Bancshares
559	18	17	132	707	506	0.22	1.1	605	56	Central Fidelity Bks
1,240	1	46	—	1,286	289	0.10	2.5	5,090	223	Champion Intl
680	NA	93	—	774	476	0.05	1.2	13,672	–334	Chase Manhattan
738	–34	341	—	1,079	358	0.09	1.7	7,987	291	Chemical Banking
1,102	17	207	—	1,310	283	0.02	5.1	38,607	2,157	Chevron
400	0	5	—	405	712	21.48	388.2	4,273	94	Chiquita Brands Intl
336	NA	4	—	340	745	1.39	13.2	79	4	Chiron
1,137	28	3,131	—	4,268	48	0.18	5.7	30,620	68	Chrysler
1,253	17	465	—	1,718	198	0.04	2.4	4,247	522	Chubb
1,283	16	25	—	1,308	284	0.05	2.0	18,164	330	Cigna
785	–23	277	150	1,211	312	0.19	2.8	1,013	91	Cincinnati Bell
631	NA	—	14	645††	545	0.48	8.2	1,049	129	Cincinnati Financial
440	9	4	—	444	686	0.02	0.4	1,438	235	Cincinnati G&E
‡‡	—	—	—	—	—	‡	§	3,751	–811	Circle K
782	2	—	—	782	471	1.68	16.1	2,329	71	Circuit City Stores

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 29, 1991. [2]Owns 13.7% of Loews, which owns 22.9% of CBS. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. **Prior year data. ††New CEO; cash compensation is for another executive office. ‡‡Directors fees only. NA: Not available.

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Circus Circus/William G Bennett*	66	Phoenix AZ		administration	17	17
Citadel Holding/William C Walbrecher Jr	51	Baltimore MD	U of Hawaii, BS '62/Pennsylvania, MBA '78	banking	2	2
Citicorp/John S Reed	52	Chicago IL	MIT, BS '61/MS '65	banking	26	7
Citizens First Bncp/Rodney T Verplaauw†	53	Hawthorne NJ		banking	36	1
Citizens Savings/Charles B Stuzin	49	Miami FL	Florida, BS '64/Miami, JD '67	legal	17	9
Citizens Utilities/Leonard Tow	63	Brooklyn NY	CUNY Brooklyn, BA '50/Columbia, PhD '60	finance	1	1
City National/Bram Goldsmith	68	Chicago IL		finance	16	16
Clark Equipment/Leo J McKernan	53	Philadelphia PA		operations	17	5
Clorox/Charles R Weaver	62	Kingman IN	Purdue, BS '50	marketing	38	6
CMS Energy/William T McCormick Jr	46	Washington DC	Cornell, BS '66/MIT, PhD '69	technical	6	6
Coast Savings Finl/Ray Martin	55	Nogales AZ		banking	32	7
Coastal Corp/James R Paul	56	Wichita KS	Wichita St, BS '56	finance	18	2
Coca-Cola/Roberto C Goizueta	59	Cuba	Yale, BS '53	technical	37	10
Coca-Cola Enterprises/Brian G Dyson	55	Argentina	U of Buenos Aires, BA '59	finance	32	5
Colgate-Palmolive/Reuben Mark	52	Jersey City NJ	Middlebury, BA '60/Harvard, MBA '63	marketing	28	7
Colorado Natl Bkshs/Will F Nicholson Jr*	62	Colorado Spr CO	MIT, BS '50/Denver, MBA '56	banking	21	6
Columbia Gas System/John H Croom	58	Fayetteville NC	N Carolina St, BS '54	marketing	37	7
Comcast/Ralph J Roberts*	71	New York NY	Pennsylvania, BS '41	administration	29	28
Comdisco/Kenneth N Pontikes*	51	Chicago IL	Southern Illinois, BA '63	marketing	22	22
Comerica/Eugene A Miller	53	Detroit MI	Detroit Tech, BBA '64	banking	36	2
Commerce Bcshs/David W Kemper	40	Kansas City MO	Harvard, BA '72/Stanford, MBA '76	banking	13	5
Commercial Federal/William A Fitzgerald	53	Omaha NE	Creighton, BS '59	banking	36	16
Commonwealth Ed/James J O'Connor	54	Chicago IL	Holy Cross, BS '58/Georgetown, JD '63	administration	28	11
Community Psych/James W Conte*	63	Des Plaines IL	Roosevelt U, BS '50/Northwestern, MS '57	administration	22	14
Compaq Computer/Joseph R Canion*	46	Houston TX	Houston, BS '66/MS '68	technical	9	9
Computer Associates/Charles B Wang*	46	China	CUNY Queens, BS '67	technical	15	15
Computer Sciences/William R Hoover	61	Bingham Canyon UT	Utah, BS '53/MS '54	technical	27	19
ConAgra/Charles M Harper	63	Lansing MI	Purdue, BS '49/Chicago, MBA '50	administration	17	15
Conner Peripherals/Finis F Conner*	47	Gadsden AL	San Jose State, BS '69	marketing	6	6
Conseco/Stephen C Hilbert*	45	Terre Haute IN		insurance	12	12
Consolidated Edison/Eugene R McGrath	49	New York NY	Manhattan, BSME '63/Iona, MBA '80	technical	28	1
Consol Freightways/Raymond F O'Brien†	68	Atchison KS	Missouri, BA '48	finance	33	14
Consol Natural Gas/George A Davidson Jr	52	Pittsburgh PA	Pittsburgh, BS '60	technical	25	4
Consolidated Papers/George W Mead	63	Milwaukee WI	Yale, BS '50/Inst Paper Chem, MS '52	operations	39	25
Consolidated Rail/James A Hagen	59	Forrest City IA	St Ambrose, BA '56/U of Iowa, MA '58	marketing	2	2
Continental Airlines/Hollis L Harris	59	Carrollton GA	Georgia Tech, BS '61	technical	1	1
Continental Bank/Thomas C Theobald	54	Cincinnati OH	Holy Cross, AB '58/Harvard, MBA '60	banking	4	4
Continental Corp/John P Mascotte	52	Fort Wayne IN	Virginia, LLB '64	insurance	10	8
Control Data/Lawrence Perlman	53	St Paul MN	Carleton, BA '60/Harvard, JD '63	legal	11	1
Cooper Industries/Robert Cizik	60	Scranton PA	Connecticut, BA '53/Harvard, MBA '58	finance	30	16
Adolph Coors/William K Coors	74	Golden CO	Princeton, BS '38/MSCE '39	technical	52	21
CoreStates Financial/Terrence A Larsen	44	Chicago IL	Dallas, BA '68/Texas A&M, PhD '71	finance	14	3
Corning/James R Houghton	55	Corning NY	Harvard, AB '58/MBA '62	administration	29	8

*Company founder. †Succeeded by Donald E Moffitt 4/30/91. †Acting CEO.

Compensation					Rank	Stock owned		Company data†		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$998	25%	—	—	$998	388	9.43%	$167.1	$692	$76	Circus Circus
335	0	$69	—	404	715	‡	§	531	23	Citadel Holding
1,201	–19	322	$171	1,694	200	0.16	8.7	38,385	318	Citicorp
357	NA	—	—	357	739	0.58	0.6	270	–80	Citizens First Bncp
503	12	47	—	551	602	33.21	7.7	395	4	Citizens Savings
NA	NA	—	—	—	—	‡	§	363	97	Citizens Utilities
1,026	9	1,506	4,559	7,091	18	16.27	71.2	501	44	City National
722	–53	186	249	1,157	325	0.21	1.0	1,445	50	Clark Equipment
807	10	670	—	1,478	243	0.20	4.2	1,558	141	Clorox
900	24	46	139	1,085	355	0.10	2.3	2,977	–494	CMS Energy
644	–20	—	—	644	546	0.11	§	1,076	–63	Coast Savings Finl
918	—	15	1,488	2,421	117	0.07	2.3	9,381	226	Coastal Corp
3,142	15	1,656	2,190	6,988	21	0.40	144.5	10,236	1,382	Coca-Cola
991	17	20	—	1,011	380	0.18	3.9	4,034	93	Coca-Cola Enterprises
1,554	10	353	—	1,907	169	0.13	7.1	5,691	321	Colgate-Palmolive
362	13	4	—	366	734	1.01	1.8	406	3	Colorado Natl Bkshs
688	–7	55	—	743	489	0.07	1.4	2,358	105	Columbia Gas System
455	–3	156	1,171	1,782**	185	9.49	179.4	657	–178	Comcast
1,535	–43	—	—	1,535	232	22.96	248.0	2,015	83	Comdisco
854	17	—	—	854	447	0.13	1.3	1,324	129	Comerica
542	3	5	—	547	605	1.29	6.7	598	58	Commerce Bcshs
297	–12	62	—	359	738	1.73	0.5	534	1	Commercial Federal
607	12	—	—	607	565	‡	0.5	5,262	128	Commonwealth Ed
1,200	17	85	—	1,285	290	1.01	16.7	371	83	Community Psych
2,327	10	—	—	2,327	123	0.20	10.6	3,599	455	Compaq Computer
1,957	9	—	—	1,957	164	4.20	70.7	1,311	162	Computer Associates
760	5	4	—	764	480	0.94	9.8	1,679	68	Computer Sciences
1,620	12	2,702	—	4,322	47	1.35	73.2	18,696	285	ConAgra
1,405	NA	—	—	1,405	261	3.07	48.4	1,338	130	Conner Peripherals
2,441	44	—	—	2,441**	111	2.14	6.3	758	42	Conseco
634	NA	256	—	890	428	‡	0.2	5,739	572	Consolidated Edison
315†	—	291	332	938	414	0.11	0.6	4,209	–28	Consol Freightways
532	2	142	—	674	527	0.06	2.0	2,715	164	Consol Natural Gas
427	2	8	—	435	694	2.78	48.3	949	143	Consolidated Papers
789	159	11	—	800	468	‡	§	3,372	247	Consolidated Rail
275†	NA	3,030	—	3,305	70	0.93	0.9	6,231	–2,344	Continental Airlines
568	–51	4	—	572	588	0.18	1.3	3,070	75	Continental Bank
911	8	144	—	1,054	365	0.04	0.6	5,706	141	Continental Corp
900	—	566	—	1,466	244	0.23	1.3	1,691	3	Control Data
1,342	7	9	—	1,352	277	0.16	8.8	6,222	361	Cooper Industries
NA	NA	—	—	—	—	‡ [2]	§	1,863	39	Adolph Coors
798	–6	185	41	1,025	375	0.06	1.3	2,584	114	CoreStates Financial
916	–1	150	1,461	2,527	105	0.73	40.7	2,941	289	Corning

†Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 29, 1991. [2]Shares are held in a family trust. †Paid to date. ‡Less than 0.01%. §Less than $100,000. **Prior year data. NA: Not available.

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Costco Wholesale/James D Sinegal*	55	Pittsburgh PA	San Diego State, BA '59	sales	6	3
CPC International/Charles R Shoemate	51	La Harpe IL	Western Illinois, BS '62/Chicago, MBA '72	operations	29	1
Crane/Robert S Evans	47	Pittsburgh PA	Pennsylvania, BA '66/Columbia, MBA '68	finance	17	7
Cray Research/John A Rollwagen	50	Minneapolis MN	MIT, BS '62/Harvard, MBA '64	marketing	16	11
Crestar Financial/Richard G Tilghman	50	Norfolk VA	Virginia, BA '63	banking	24	6
CrossLand Savings FSB/Maurice L Reissman	48	Brooklyn NY	CUNY Baruch, BBA '89	banking	23	4
Crown Central Pet/Henry A Rosenberg Jr	61	Pittsburgh PA	Hobart, BA '52	administration	39	20
Crown Cork & Seal/William J Avery	50	Chicago IL	Chicago, BS '68	operations	32	2
CSX/John W Snow	51	Toledo OH	U of Toledo, BA '62/Virginia, PhD '65	legal	14	2
Cullen/Frost Bankers/Thomas C Frost	63	San Antonio TX	Washington & Lee, BS '50	banking	41	20
Cummins Engine/Henry B Schacht	56	Erie PA	Yale, BS '56/Harvard, MBA '62	administration	27	22
Cyprus Minerals/Chester B Stone Jr	56	Texarkana AR	Houston, BBA '58	finance	13	‡
Dana/Southwood J Morcott	53	Covington GA	Davidson, BA '60/Michigan, MBA '63	operations	28	2
Dauphin Deposit/William J King	62	Philadelphia PA	Pennsylvania, BBA '74/La Salle, MBA '80	banking	12	5
Dayton Hudson/Kenneth A Macke	52	Templeton IA	Drake, BS '61	sales	30	8
Dean Foods/Howard M Dean Jr	54	NA	SMU, BBA '60/Northwestern, MBA '61	administration	36	4
Deere & Co/Hans W Becherer	56	Detroit MI	Trinity College CT, BA '57/Harvard, MBA '62	marketing	29	2
Delta Air Lines/Ronald W Allen	49	Atlanta GA	Georgia Tech, BSIE '64	administration	28	4
Deluxe/Harold V Haverty	61	Detroit MI		operations	37	
Deposit Guaranty/Emerson B Robinson Jr	49	Centreville MS	Davidson, BS '63/Harvard, MBA '67	banking	24	
DeSoto/Wesley L Anderson	49	Chicago IL	Northwestern, BS '64/Chicago, MBA '67	technical	27	
Detroit Edison/John E Lobbia	49	Chicago IL	U of Detroit, BSEE '64	technical	27	
Diamond Shamrock/Roger R Hemminghaus	54	St Louis MO	Auburn, BS '58	technical	7	4
Digital Equipment/Kenneth H Olsen*	65	Bridgeport CT	MIT, BS '50/MS '52	technical	34	34
Dillard Dept Stores/William T Dillard Sr*	76	Mineral Spr AR	Arkansas, BBA '35/Columbia, MS '37	sales	52	52
Dime Savings Bank FSB/Richard D Parsons	43	Queens NY	U of Hawaii, BA '68/Union, JD '71	legal	3	1
Discount Corp of NY/Ralph F Peters†	62	Garden City NY	Princeton, BA '51	banking	36	10
Walt Disney/Michael D Eisner	49	New York NY	Denison, BA '64	operations	7	7
Dominion Bankshares/Warner N Dalhouse	56	Roanoke VA	Virginia, BS '56	marketing	35	10
Dominion Resources/Thos E Capps	55	Wilmington NC	North Carolina, BA '58/JD '65	legal	7	1
RR Donnelley & Sons/John R Walter	44	Pittsburgh PA	Miami of Ohio, BS '68	administration	22	2
Dover/Gary L Roubos	54	Denver CO	Colorado, BS '59/Harvard, MBA '63	operations	20	10
Dow Chemical/Frank P Popoff	55	Bulgaria	Indiana, BS '57/MBA '59	marketing	32	3
Dow Jones/Peter R Kann	48	Princeton NJ	Harvard, BA '64	journalism	28	‡
Downey S&L Assn/Gerald H McQuarrie*	69	Minersville UT	Compton, BA '41	administration	34	13
DPL/Peter H Forster	48	Germany	Wisconsin, BS '64/Columbia, JD '72	operations	18	6
DQE/Wesley W von Schack	47	New York NY	Fordham, AB '65/St John's, MBA '72	finance	7	5
Dresser Industries/John J Murphy	59	Olean NY	Rochester Ins Tech, AAS '52/SMU, MBA '81	operations	39	8
Dreyfus/Howard Stein	64	New York NY		finance	36	20
El du Pont de Nemours/Edgar S Woolard Jr	57	Washington NC	North Carolina St, BS '56	operations	33	2
Duke Power/William S Lee	61	Charlotte NC	Princeton, BS '51	technical	36	9
Dun & Bradstreet/Charles W Moritz	54	Washington DC	Yale, BA '58	marketing	31	6
E-Systems/E Gene Keiffer	61	Dallas TX	Southern Methodist, BSEE '55/MSEE '62	technical	41	2

*Company founder. †Acting CEO. ‡New CEO, less than six months' service. NA: Not available.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$416	20%	$101	—	$516	627	2.80%	$77.5	$4,420	$56	Costco Wholesale
758	NA	355	$92	1,204††	313	0.02	1.2	5,781	374	CPC International
1,037	–1	709	2,371	4,117	51	3.07	24.8	1,438	63	Crane
517	23	37	—	554	598	0.10	1.0	804	113	Cray Research
486	–20	15	—	501	634	0.13	0.8	1,264	61	Crestar Financial
675	21	50	—	725	501	0.36	§	1,119	–421	CrossLand Savings FSB
973	6	10	—	983	395	0.20	0.6	2,060	26	Crown Central Pet
427	21	1	—	428	698	0.20	4.3	3,072	107	Crown Cork & Seal
967	9	330	89	1,385	266	0.03	1.4	8,205	416	CSX
356	2	21	—	377	723	3.05	2.2	323	–8	Cullen/Frost Bankers
442	–16	44	—	486	647	0.05	0.3	3,462	–165	Cummins Engine
443	NA	11	—	454††	679	0.05	0.4	1,866	111	Cyprus Minerals
520	–7	313	13	846	449	0.11	1.5	5,225	76	Dana
463	9	2	1	466	670	0.09	0.4	335	45	Dauphin Deposit
1,636	13	260	1,545	3,441	65	0.15	8.3	14,739	410	Dayton Hudson
659	16	784	56	1,498	238	0.51	6.3	2,146	67	Dean Foods
1,026	33	—	141	1,167	322	0.02	0.7	7,678	290	Deere & Co
752	12	4	430	1,186	319	0.03	0.8	8,707	–154	Delta Air Lines
717	20	61	—	778	473	0.06	1.9	1,414	172	Deluxe
255	0	12	—	267	769	0.46	1.0	467	25	Deposit Guaranty
185*	NA	—	140	325	751	0.17	§	74	88	DeSoto
381	—	60	—	441	688	‡	0.2	3,307	515	Detroit Edison
670	12	35	—	706	507	0.14	0.9	2,708	78	Diamond Shamrock
982	3	—	—	982	397	2.03	174.2	13,072	–95	Digital Equipment
1,638	1	205	379	2,221	130	3.72	161.3	3,606	183	Dillard Dept Stores
525*	NA	14	—	539	615	0.27	0.4	1,099	–136	Dime Savings Bank FSB
NA	NA	—	—	—	—	0.37	0.4	365	4	Discount Corp of NY
11,233	17	—	—	11,233	8	0.29	45.0	6,048	820	Walt Disney
559	–21	34	71	664	533	0.17	0.7	1,106	–37	Dominion Bankshares
611	4	7	—	618	560	0.01	0.5	3,533	446	Dominion Resources
768	22	65	—	832	453	0.04	1.5	3,498	226	RR Donnelley & Sons
775	7	369	—	1,144	328	0.09	2.2	2,210	156	Dover
933	–3	659	—	1,593	219	0.03	3.9	19,773	1,384	Dow Chemical
535	NA	70	—	605††	567	0.01	0.4	1,720	107	Dow Jones
420	1	—	—	420	704	11.58	32.8	400	42	Downey S&L Assn
613	8	—	—	613	562	0.02	0.3	946	153	DPL
465	38	—	—	465	671	0.02	0.3	1,134	122	DQE
1,108	12	34	863	2,006	161	0.07	2.2	4,706	169	Dresser Industries
2,384	56	1,187	—	3,571**	58	2.83	43.6	261	62	Dreyfus
1,511	17	6	106	1,623	215	0.09	23.4	39,709	2,310	El du Pont de Nemours
520	5	391	—	911	423	0.05	2.8	3,681	538	Duke Power
1,465	15	507	1,151	3,123	77	0.04	3.3	4,818	508	Dun & Bradstreet
884	17	400	—	1,284	291	0.14	1.7	1,810	86	E-Systems

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Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Eastman Kodak/Kay R Whitmore	58	Salt Lake City UT	Utah, BS '57/MIT, MS '75	technical	34	1
Eaton/James R Stover	64	Marion IN	George Washington, LLB '55	operations	36	5
Echlin/Frederick J Mancheski	64	Stevens Point WI	Wisconsin, BS '48	operations	28	22
Ecolab/Pierson M Grieve	63	Flint MI	Northwestern, BS '50	administration	8	8
EG&G/John M Kucharski	55	Milwaukee WI	Marquette, BS '58/George Washington, JD '65	technical	19	4
Emerson Electric/Charles F Knight	55	Lake Forest IL	Cornell, BME '58/MBA '59	administration	18	18
Engelhard/Orin R Smith	55	Newark NJ	Brown, BA '57/Seton Hall, MBA '64	marketing	14	7
Enron/Kenneth L Lay	49	Tyrone MO	Missouri, BA '64/Houston, PhD '70	operations	7	7
Enserch/William C McCord	63	San Antonio TX	Texas A&M, BS '49	technical	42	20
Entergy/Edwin Lupberger	54	Atlanta GA	Davidson, AB '58/Emory, MBA '63	finance	12	5
Equifax/C B Rogers Jr	61	New York NY	Gettysburg Col, BA '51/Geo Washington, MBA '62	administration	4	2
Equimark/Gary W Fiedler	46	Elizabeth NJ	Carnegie-Mellon, BS '69	banking	1	1
Equitable of Iowa/Frederick S Hubbell	40	Des Moines IA	North Carolina, BA '73/U of Iowa, JD '76	legal	8	2
Ethyl/Floyd D Gottwald Jr	68	Richmond VA	Va Military Inst, BS '43/Richmond, MS '51	administration	48	21
Exxon/Lawrence G Rawl	63	Lyndhurst NJ	Oklahoma, BS '52	technical	39	4
Farm & Home Finl/Daniel C Arnold	61	Houston TX	Texas, BBA '51/LLB '53	banking	2	2
Federal Express/Frederick W Smith*	46	Marks MS	Yale, BA '66	technical	20	20
Federal Home Loan Mor/Leland C Brendsel	49	Sioux Falls SD	Colorado, BS '67/Northwestern, PhD '73	finance	9	6
Federal Natl Mortgage/James A Johnson	47	Benson MN	Minnesota, BA '65/Princeton, MA '68	finance	1	‡
Federal Paper Board/John R Kennedy	60	New York NY	Georgetown, BS '52	sales	40	16
Fifth Third Bancorp/George A Schaefer Jr	46	Cincinnati OH	US Military Acad, BS '67/Xavier, MBA '74	banking	20	‡
Figgie Intl/Harry E Figgie Jr	67	Lakewood OH	Case Western Res, BSME '47/Harvard, MBA '49	operations	27	27
First Alabama Bcshs/J Stanley Mackin	58	Birmingham AL	Auburn, BS '54	banking	25	1
First American Corp/James F Smith Jr	61	Knoxville TN	Tenn Knoxville, BS '51	banking	16	1
First Bancp Ohio/Howard L Flood	56	Staten Island NY		banking	28	6
First Bank System/John F Grundhofer	52	Los Angeles CA	Loyola, BA '60/USC, MBA '64	banking	1	1
First Capital Holding/Robert I Weingarten*†	49	Brooklyn NY	CUNY City Col, BBA '62	finance	20	8
First Chicago/Barry F Sullivan	60	Bronx NY	Columbia, BA '55/Chicago, MBA '57	banking	11	11
First Citizens Bcshs/Lewis R Holding	63	Smithfield NC	North Carolina, BS '50/Harvard, MBA '52	finance	38	34
First City Bncp Texas/C Ivan Wilson	63	Kerrville TX	Southwest Texas St, BS '49	banking	27	‡
First Commerce/Ian Arnof	51	McCrory AR	Vanderbilt, BA '61/Harvard, MBA '63	banking	13	8
First Empire State/Robert G Wilmers	57	New York NY	Harvard, BA '56	banking	9	8
First Executive/Fred Carr	60	Los Angeles CA		finance	17	17
First Fidelity Bncp/Anthony P Terracciano	52	Bayonne NJ	St Peter's, BS '60/Fordham, MA '62	banking	1	1
First Financial Mgmt/Patrick H Thomas	48	Atlanta GA	Georgia St, BS '60/MS '61	banking	20	17
First Florida Banks/A Bronson Thayer	51	Mineola NY	Harvard, BA '61/NYU, MBA '67	finance	9	8
First Hawaiian/Walter A Dods Jr	50	Honolulu HI	U of Hawaii, BBA '67	marketing	22	2
First Interstate Bncp/Edward M Carson	61	Tucson AZ	Arizona St, BS '51/Rutgers	banking	40	1
First of America Bank/Daniel R Smith	57	Kalamazoo MI	Western Michigan, BBA '55	banking	35	6
First Security/Spencer F Eccles	56	Ogden UT	Utah, BS '56/Columbia, MA '59	banking	32	9
First Tennessee Natl/Ronald Terry	60	Memphis TN	Memphis St, BS '52	banking	34	18
First Union/Edward E Crutchfield Jr	49	Dearborn MI	Davidson, BA '63/Pennsylvania, MBA '65	banking	26	7
First Virginia Banks/Robert H Zalokar	64	West Mineral KS	Kansas, BS '50	banking	36	6

*Company founder. †Resigned 3/14/91. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$1,415	NA	—	—	$1,415	255	‡	$0.7	$18,908	$703	Eastman Kodak
1,053	-8%	$456	—	1,509	234	0.14%	2.7	3,639	179	Eaton
575	NA	1	—	576	585	0.86	5.4	1,652	45	Echlin
875	NA	328	$131	1,334	278	0.61	4.0	1,390	54	Ecolab
505	11	—	32	538	617	0.06	0.7	2,474	74	EG&G
1,774	0	2,167	—	3,941	55	0.22	22.8	7,728	618	Emerson Electric
1,137	18	240	387	1,764	187	0.52	6.2	2,942	70	Engelhard
1,536	13	58	936	2,530	104	0.26	7.3	13,165	202	Enron
991	33	8	60	1,059	362	0.04	0.5	2,815	103	Enserch
757	9	18	—	775	475	‡	0.1	3,982	478	Entergy
645	NA	1,119	—	1,764	188	0.13	2.2	1,079	64	Equifax
325*	NA	—	—	325	751	‡	§	431	-140	Equimark
474	26	—	—	474	659	1.23	2.2	657	24	Equitable of Iowa
937	9	10	147	1,093	350	5.12	181.0	2,514	232	Ethyl
1,551	12	81	—	1,632	214	0.01	8.7	105,519	5,010	Exxon
253	11	—	—	253	773	1.17	0.5	301	4	Farm & Home Finl
579	-34	—	—	579	582	8.05	148.7	7,688	18	Federal Express
531	NA	34	—	566	593	0.02	1.1	3,999	414	Federal Home Loan Mor
664	NA	57	—	722††	503	0.02	2.1	12,720	1,173	Federal Natl Mortgage
1,813	11	—	—	1,813	180	1.95	22.6	1,366	118	Federal Paper Board
588	NA	—	154	742	491	0.13	2.2	834	120	Fifth Third Bancorp
1,636	NA	424	—	2,060	157	8.43	29.0	1,361	40	Figgie Intl
446	NA	26	—	472	663	0.11	0.9	612	69	First Alabama Bcshs
294	NA	—	—	294	763	0.49	1.3	733	-62	First American Corp
310	6	4	—	314	757	0.09	0.3	365	35	First Bancp Ohio
788*	NA	858	—	1,646	213	0.01	0.2	2,139	131	First Bank System
1,350	-29	4	—	1,354	275	0.77	1.0	1,004	42	First Capital Holding
736	-50	4	—	740	494	0.33	5.5	5,693	249	First Chicago
367	14	5	—	372	727	9.97	19.4	421	28	First Citizens Bcshs
500*	NA	—	—	500	636	0.14	0.1	1,352	-158	First City Bncp Texas
451	-11	—	—	451	680	0.39	0.9	482	22	First Commerce
479	3	9	—	489	645	7.58	38.5	713	54	First Empire State
613	1	—	—	613	563	1.15	0.3	872	-736	First Executive
875*	52	—	—	875	439	0.02	0.4	3,053	-6	First Fidelity Bncp
2,506	0	97	—	2,603	99	1.33	13.8	1,284	73	First Financial Mgmt
‡‡	—	—	—	—	—	0.65	1.3	585	-12	First Florida Banks
608	17	250	—	858	446	0.83	7.0	541	72	First Hawaiian
909	NA	178	—	1,087	354	0.04	0.8	5,934	439	First Interstate Bncp
917	42	—	12	929	416	0.12	1.1	1,389	132	First of America Bank
430	4	34	—	464	674	3.78	18.2	703	46	First Security
493	27	160	—	653	540	1.34	6.2	740	48	First Tennessee Natl
600	-41	80	—	680	521	0.08	1.8	4,069	304	First Union
604	5	28	—	632	551	0.14	0.9	570	65	First Virginia Banks

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Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
First Wachovia/John G Medlin Jr	57	Benson NC	N Carolina, BS '56	banking	32	14
Firstar/Roger L Fitzsimonds	53	Milwaukee WI	U Wisconsin Milwaukee, BA '60/MBA '71	banking	27	‡
FirstFed Michigan/C Gene Harling	45	Gainesville FL	Florida, BBA '68/Wayne St, MBA '69	finance	12	1
FirsTier Financial/David A Rismiller	55	Baltimore MD	Ohio St, BS	banking	3	2
Fleet/Norstar Finl/Terrence Murray	51	Woonsocket RI	Harvard, BA '62	banking	29	9
Fleetwood Enterprises/John C Crean*	65	Bowden ND		operations	41	41
Fleming Cos/E Dean Werries	62	Tescott KS	Kansas, BS '52	operations	37	3
FlightSafety Intl/Albert L Ueltschi*	74	Frankfort KY		technical	40	40
Florida Progress/Jack B Critchfield	58	Rockwood PA	Slippery Rock U, BS '55/Pittsburgh, MA '60	administration	8	1
Fluor/Leslie G McCraw	56	Sandy Springs SC	Clemson, BSCE '56	technical	16	1
FMC/Robert H Malott	64	Boston MA	Kansas, AB '48/Harvard, MBA '50	operations	38	19
Food Lion/Tom E Smith	50	Salisbury NC	Catawba, BA '64	sales	21	5
Ford Motor/Harold A Poling	65	Detroit MI	Monmouth, BA '49/Indiana, MBA '51	administration	40	1
Forest Labs/Howard Solomon	64	NA	CUNY City Col, BA '49/Yale, JD '52	legal	13	14
Fortune Financial/Rausey W Mason	53	Atlanta GA	Georgia Tech, BS	banking	8	1
Foster Wheeler/Louis E Azzato	60	New York NY	CUNY City Col, BS '52	technical	39	10
Fourth Financial/Jordan L Haines	64	Sabetha KS	Kansas, BA '49/LLD '57	administration	29	6
FPL Group/James L Broadhead	56	New Rochelle NY	Cornell, BSME '58/Columbia, JD '63	technical	3	2
Franklin Resources/Charles B Johnson	58	Montclair NJ	Yale, BA '54	finance	34	20
Freeport-McMoRan/James R Moffett	52	Houma LA	Texas, BS '61/Tulane, MS '63	technical	21	7
Fruit of the Loom/William Farley	48	Pawtucket RI	Bowdoin, AB '64/Boston C, JD '69	legal	15	6
Fund American Cos/John J Byrne	58	Passaic NJ	Rutgers, BS '54/Michigan, MS '59	insurance	6	6
Gannett/John J Curley	52	Easton PA	Dickinson, BA '60/Columbia, MS '63	journalism	21	5
Gap/Donald G Fisher*	62	San Francisco CA	Calif Berkeley, BS '50	finance	22	22
GATX/James J Glasser	56	Chicago IL	Yale, AB '55/Harvard, JD '58	legal	30	13
Geico/William B Snyder	51	Clarksburg WV	Texas Tech, BS '55	marketing	14	6
GenCorp/A William Reynolds	57	Columbus OH	Harvard, AB '55/Stanford, MBA '57	administration	7	6
Genentech/G Kirk Raab	55	New York NY	Colgate, BS '59	marketing	6	1
General Cinema/Richard A Smith	66	Boston MA	Harvard, BS '46	administration	44	44
General Dynamics/William A Anders	57	Hong Kong	US Naval Acad, BSEE '55	operations	1	‡
General Electric/John F Welch Jr	55	Peabody MA	Massachusetts, BS '57/Illinois, PhD '60	technical	31	10
General Mills/H Brewster Atwater Jr	60	Minneapolis MN	Princeton, AB '52/Stanford, MBA '54	marketing	33	10
General Motors/Robert C Stempel	57	Trenton NJ	Worcester Polytech, BSME '55/PhD '77	technical	33	1
General Public Utils/Standley H Hoch	58	Canonsburg PA	Oberlin, BA '54	finance	2	2
General Re/Ronald E Ferguson	49	Chicago IL	Blackburn, BA '63/Michigan, MS '65	insurance	22	4
General Signal/Edmund M Carpenter	49	Toledo OH	Michigan, BSE '63/MBA '64	operations	3	3
Genuine Parts/Larry L Prince	52	Dyersburg TN	Memphis St	administration	33	1
Georgia Gulf/Jerry R Satrum	46	Silverton OR	Oregon St, BS '68	finance	6	‡
Georgia-Pacific/T Marshall Hahn Jr	64	Lexington KY	Kentucky, BS '45/MIT, PhD '50	technical	16	8
Gerber Products/Alfred A Piergallini	44	Martin's Creek PA	Lafayette, BA '68/Chicago, MBA '70	marketing	2	1
Giant Food/Israel Cohen*	78	Israel		administration	55	14
Gillette/Alfred M Zeien	61	New York NY	Webb Institute, BS '52	operations	23	‡
PH Glatfelter/Thomas C Norris	53	York PA	Gettysburg Col, BA '60	administration	31	11

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$1,013	24%	$26	$6	$1,045	369	0.09%	$3.5	$2,519	$297	First Wachovia
560	NA	29	176	765††	479	0.10	0.7	976	98	Firstar
406	10	—	—	406	709	0.14	0.2	1,078	32	FirstFed Michigan
363	—	7	—	370	728	0.11	0.2	294	3	FirsTier Financial
756	–43	76	—	831	454	0.14	3.5	3,933	–49	Fleet/Norstar Finl
633	–18	585	—	1,218	305	17.95	120.2	1,449	36	Fleetwood Enterprises
683	26	—	14	697	513	0.25	2.9	11,933	97	Fleming Cos
367	23	—	—	367	733	34.32	557.1	273	76	FlightSafety Intl
511	28	—	—	511	630	‡	0.1	2,011	165	Florida Progress
899	—	10	—	909	424	0.03	1.2	7,328	145	Fluor
1,207	11	114	—	1,321	282	0.60	8.8	3,722	155	FMC
795	37	30	120	946	412	0.83	48.2	5,584	173	Food Lion
1,221	—	—	—	1,221	304	0.04	6.4	97,650	860	Ford Motor
340	NA	—	—	340	746	1.66	23.6	162	36	Forest Labs
221	NA	—	—	221	779	0.67	0.3	296	–3	Fortune Financial
1,022	130	—	—	1,022	378	0.12	1.2	1,661	38	Foster Wheeler
375	–16	21	51	447	683	0.51	1.8	386	18	Fourth Financial
867	9	303	—	1,170	321	0.01	0.5	6,289	–391	FPL Group
480	6	20	—	499	638	22.88	328.4	293	91	Franklin Resources
2,018	48	699	2,416	5,132	34	0.93	19.1	1,581	314	Freeport-McMoRan
NA	NA	—	—	—	—	27.26	241.7	1,427	77	Fruit of the Loom
3,369	296	5	—	3,373	68	‡	§	275	–119	Fund American Cos
1,300	1	848	—	2,148	141	0.06	4.4	3,442	377	Gannett
1,746	27	15	—	1,761**	190	26.52	1,125.0	1,934	145	Gap
780	–5	667	—	1,447	249	0.59	3.6	870	83	GATX
992	42	514	—	1,507	236	0.33	9.2	1,935	208	Geico
821	3	9	—	829	457	0.22	0.5	1,775	63	GenCorp
675	NA	196	8,308	9,180	9	0.01	0.4	447	–98	Genentech
1,233	17	439	—	1,672	207	23.41	376.4	2,199	120	General Cinema
800*	NA	—	—	800	467	0.07	1.2	10,173	–578	General Dynamics
2,983	13	—	2,049	5,032	35	0.02	13.6	58,414	4,303	General Electric
1,431	0	95	—	1,526	233	0.15	13.7	7,032	457	General Mills
869	NA	1,229	91	2,189	136	0.01	3.2	124,705	–1,986	General Motors
668	30	67	—	735	497	‡	0.1	2,996	278	General Public Utils
1,223	11	188	497	1,908	168	0.02	1.7	2,993	614	General Re
758	–28	128	—	886	433	0.08	0.8	1,695	–33	General Signal
564	8	—	—	564	594	0.04	1.2	3,319	207	Genuine Parts
557	NA	7	—	564††	595	3.23	20.4	932	95	Georgia Gulf
1,500	–12	254	—	1,754	192	0.17	6.7	12,665	365	Georgia-Pacific
575	NA	155	—	731	499	0.06	1.4	1,178	114	Gerber Products
1,213	–3	37	10,241	11,491	6	4.79	83.9	3,350	119	Giant Food
785	NA	34	1,153	1,972††	162	0.11	7.8	4,345	368	Gillette
661	7	314	—	974	404	0.12	1.4	625	88	PH Glatfelter

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GlenFed/Norman M Coulson	58	Hilt CA	Cal St Long Beach, BA '57/Pepperdine, MBA '73	banking	34	4
Golden West Finl/Herbert M Sandler*†	59	New York NY	CUNY City Col, BSS '51/Columbia, JSD '54	finance	28	28
Goldome/Thomas A Cooper	54	Philadelphia PA	Haverford, BA '57	banking	2	2
BF Goodrich/John D Ong	57	Uhrichsville OH	Ohio St, BA '54/Harvard, LLB '57	operations	30	12
Goodyear/Tom H Barrett	60	Topeka KS	Kansas St, BS '53/MIT, MA '69	technical	38	2
WR Grace/J Peter Grace	78	Manhasset NY	Yale, BA '36	finance	55	46
WW Grainger/David W Grainger	63	Chicago IL	Wisconsin, BSEE '50	administration	39	17
Great American Bank/Robert L Kemper	62	Sacramento CA	Santa Clara U, BS '50	banking	1	1
Great American Mgmt/Samuel Zell	49	Chicago IL	Michigan, BA '61/JD '63	finance	10	8
Great A&P Tea/James Wood	61	England		sales	11	11
Great Lakes Bancorp/Roy E Weber	62	Ann Arbor MI		banking	41	22
Great Lakes Chemical/Emerson Kampen	63	Kalamazoo MI	Michigan, BS '51	operations	40	14
Gt Western Financial/James F Montgomery	56	Topeka KS	UCLA, BS '57	finance	16	12
Greater NY Savings/Charles J Ohlig	54	Jamaica NY	Pace, BBA '71	finance	10	3
Greyhound Dial/John W Teets	57	Elgin IL		administration	27	10
Grumman/Renso L Caporali	58	Batavia NY	Clarkson, BCE '54/Princeton, PhD '64	technical	32	1
GTE/James L Johnson	64	Vernon TX	Texas Tech, BA '49	finance	42	3
Gulf States Utils/E Linn Draper Jr	49	Houston TX	Rice, BS '65/Cornell, PhD '70	technical	12	5
Halliburton/Thomas H Cruikshank	59	Lake Charles LA	Rice, BA '52/Houston, MA '55	legal	22	8
Hannaford Bros/James L Moody Jr	59	Manchester NH	Bates, BA '53	finance	32	18
Hanover Insurance/William J O'Brien	58	Yonkers NY	Fordham, BS '54	insurance	20	11
Harcourt Brace/Peter W Jovanovich	42	New York NY	Princeton, BA '72	administration	11	1
Harnischfeger Inds/William W Goessel	63	Beloit WI	Carthage, BA '50	operations	9	6
Harris Corp/John T Hartley	61	Jacksonville FL	Auburn, BS '55	operations	35	5
Harsco/Malcolm W Gambill	60	Crumpler NC	Yale, BS '53	operations	36	4
Hartford Steam Boiler/Wilson Wilde	63	Hartford CT	Williams, BA '49	insurance	37	20
Hartmarx/Harvey A Weinberg	53	Chicago IL	Wisconsin, BS '59	sales	22	4
Hasbro/Alan G Hassenfeld	42	Providence RI	Pennsylvania, BA '70	operations	21	2
Hawaiian Electric/Robert F Clarke	49	Oakland CA	Calif Berkeley, BA '65/MBA '66	finance	4	‡
Hechinger/John W Hechinger Jr	41	Washington DC	Boston C, BS '72	operations	19	1
HJ Heinz/Anthony J F O'Reilly	55	Ireland	U of Dublin, BCL '58/U of Bradford, PhD '80	marketing	22	12
Henley Group/Michael D Dingman	59	New Haven CT		administration	21	21
Hercules/Thomas L Gossage	57	Nashville TN	Georgia Tech, BS '56/MS '57	technical	3	‡
Hershey Foods/Richard A Zimmerman	59	Lebanon PA	Penn St, BA '53	operations	33	7
Hewlett-Packard/John A Young	59	Nampa ID	Oregon St, BS '53/Stanford, MBA '58	technical	33	13
Hibernia/Martin C Miller	56	Mason City IA	William & Mary, BA '57/Pennsylvania, MBA '59	banking	18	18
Hillenbrand Inds/W August Hillenbrand	50	Batesville IN	St Joseph's, BS '65	administration	25	2
Hills Dept Stores/Michael Bozic	50	Pittsburgh PA	Pittsburgh, BA '63	operations	‡	‡
Hilton Hotels/Barron Hilton	63	Dallas TX		administration	37	25
Home Depot/Bernard Marcus*	62	Newark NJ	Rutgers, BS '54	administration	13	13
HomeFed/Robert F Adelizzi	56	Philadelphia PA	Dartmouth, AB '57/U of San Diego, JD '63	legal	28	1
Homestake Mining/Harry M Conger	60	Seattle WA	Colo Sch Mines, EM '55	technical	16	12
Honeywell/James J Renier	61	Duluth MN	Col of St Thomas, BS '51/Iowa St, PhD '55	technical	35	4

*Company founder. †Office jointly held with Marion O Sandler. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$681	–10%	$16	$167	$864	444	0.14%	$0.4	$2,338	$–71	GlenFed
721	8	4	697	1,421	253	7.02	150.1	2,127	182	Golden West Finl
1,000	36	57	—	1,057	363	0.07	§	1,251	6	Goldome
1,003	–3	823	68	1,893	172	0.25	2.4	2,433	136	BF Goodrich
800	–16	80	—	880	438	0.03	0.3	11,273	–38	Goodyear
1,585	4	86	—	1,671	209	0.36	9.7	6,754	203	WR Grace
720	–15	321	—	1,041	370	10.73	239.1	1,935	127	WW Grainger
420*	NA	20	—	440	691	‡	§	1,400	–342	Great American Bank
††	—	—	—	—	—	73.73[2]	261.7	1,871	72	Great American Mgmt
3,421	7	8	—	3,429	66	0.03	0.6	11,391	151	Great A&P Tea
428	–9	—	—	428	697	1.12	0.6	369	–27	Great Lakes Bancorp
924	12	6	179	1,108	343	0.78	22.0	1,066	141	Great Lakes Chemical
1,351	4	93	—	1,443	251	0.15	3.3	4,212	193	Gt Western Financial
440	1	54	—	494	642	0.17	§	281	–17	Greater NY Savings
2,035	16	944	—	2,979	79	1.11	15.0	3,519	16	Greyhound Dial
435	NA	44	—	479	652	0.11	0.6	3,990	86	Grumman
1,742	23	403	—	2,145	143	‡	1.5	18,374	1,541	GTE
350	2	10	—	360	737	0.02	0.2	1,691	–44	Gulf States Utils
1,100	63	579	—	1,679	206	0.09	4.4	6,926	197	Halliburton
513	–28	578	1	1,092	352	1.75	14.8	1,688	42	Hannaford Bros
406	9	—	—	406	711	0.16	1.0	1,749	53	Hanover Insurance
400	—	4	—	404**	714	0.14	§	1,413	–81	Harcourt Brace
961	6	—	1,290	2,252	128	0.75	4.5	1,717	69	Harnischfeger Inds
1,078	28	32	129	1,239	299	0.04	0.4	3,054	36	Harris Corp
623	10	163	—	786	470	0.18	1.2	1,760	73	Harsco
943	17	420	754	2,117	149	0.42	5.4	562	79	Hartford Steam Boiler
565	NA	12	—	577	584	0.17	0.4	1,296	–62	Hartmarx
1,148	15	67	—	1,215	306	3.50	55.8	1,520	89	Hasbro
223	NA	132	—	355††	740	0.02	0.2	1,011	44	Hawaiian Electric
427	NA	—	—	427**	699	1.37	5.5	1,392	23	Hechinger
1,231	9	2,041	—	3,272	72	0.21	20.6	6,503	547	HJ Heinz
850	–16	20	—	870	441	0.52	2.4	1,871	–101	Henley Group
461	NA	9	—	470††	665	0.12	1.9	3,200	96	Hercules
770	–4	488	—	1,258	298	0.17	6.4	2,716	216	Hershey Foods
1,498	–5	2,478	394	4,370	45	0.06	8.2	13,538	771	Hewlett-Packard
512	–57	182	—	694	515	0.48	1.0	829	–11	Hibernia
781	0	284	—	1,065	361	5.44	85.9	1,107	76	Hillenbrand Inds
NA	NA	—	—	—	—	‡	§	2,188	–6	Hills Dept Stores
1,050	–9	4	—	1,054	366	24.75	501.1	1,087	113	Hilton Hotels
1,587	0	159	—	1,745	194	4.85	341.6	3,815	163	Home Depot
522	—	9	79	611	564	0.05	§	1,906	–248	HomeFed
661	7	13	41	715	505	0.14	2.0	482	21	Homestake Mining
1,469	8	238	342	2,049	158	0.15	6.4	6,309	382	Honeywell

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 29, 1991. [2]Shares indirectly held. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. **Prior year data. ††New CEO; cash compensation is for another executive office. ‡‡Directors fees only. NA: Not available.

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Geo A Hormel/Richard L Knowlton	58	Austin MN	Colorado, BA '54	marketing	43	10
Household Intl/Donald C Clark	59	Brooklyn NY	Clarkson, BBA '53/Northwestern, MBA '61	finance	36	9
Houston Industries/Don D Jordan	59	Corp Christi TX	Texas, BBA '54/S Texas Col of Law, JD '69	legal	35	14
Howard Savings Bank/William P Tuggle III	58	El Dorado AK	North Carolina, BS '55/MBA '59	banking	1	1
Hubbell/G J Ratcliffe	54	Charleston WV	Virginia, LLB '61	legal	17	3
Humana/David A Jones*	59	Louisville KY	Louisville, BS '54/Yale, JD '60	legal	30	30
Huntington Bcshs/Frank Wobst	57	Germany	U of Erlangen, BA '55/Rutgers, MBA '64	banking	17	10
ICH/John Franco	49	New York NY	Columbia, AB '63/NYU, LLB '67	finance	2	2
Idaho Power/Joseph W Marshall	52	Twin Falls ID	US Naval Acad, BS '61	technical	22	2
Illinois Power/Larry D Haab	53	Fairbury IL	Millikin, BS '59	operations	26	‡
Illinois Tool Works/John D Nichols	60	China	Harvard, BA '53/MBA '55	operations	11	9
IMC Fertilizer Group/Billie B Turner	60	Whitesboro TX	Texas A&M, BS '52	sales	37	8
Imcera Group/George D Kennedy	64	Pittsburgh PA	Williams, BA '48	administration	20	8
INB Financial/Thomas M Miller	61	Corydon IN	Indiana, BS '52	banking	37	10
Ingersoll-Rand/Theodore H Black	62	Jersey City NJ	US Naval Acad, BS '53	technical	34	3
Inland Steel Inds/Frank W Luerssen	63	Reading PA	Penn St, BS '50/Lehigh, MS '51	technical	39	8
Inspiration Resource/Reuben F Richards	61	New York NY	Harvard, AB '52	banking	9	8
Integra Financial/William F Roemer	57	Youngstown OH	Princeton, BA '55	banking	21	12
Intel/Andrew S Grove	54	Hungary	CUNY City Col, BS '60/Calif Berkeley, PhD '63	technical	23	4
Intelligent Electron/Richard D Sanford*	47	New York NY	Hofstra, BA '71	finance	9	9
Interco/Richard B Loynd	63	Norristown PA	Cornell, BSEE '50	administration	2	2
Intergraph/James W Meadlock*	57	Taylorsville NC	North Carolina St, BS '56	technical	22	22
IBM/John F Akers	56	Boston MA	Yale, BS '56	marketing	31	6
Intl Flavors & Frags/Eugene P Grisanti	61	Buffalo NY	Boston U, LLB '53/Harvard, LLM '54	legal	31	6
Intl Multifoods/Anthony Luiso	47	Italy	Iona, BA '67/Chicago, MBA '82	finance	4	2
International Paper/John A Georges	60	El Paso TX	Illinois, BS '51/Drexel, MS '57	technical	12	7
Interpublic Group/Philip H Geier Jr	56	Pontiac MI	Colgate, BA '57/Columbia, MBA '58	administration	16	11
Ipalco Enterprises/John R Hodowal	46	Dayton OH	Purdue, BSIE '66/Indiana, JD '70	technical	23	2
Itel/Samuel Zell	49	Chicago IL	Michigan, BA '61/JD '63	finance	23	23
ITT/Rand V Araskog	59	Fergus Falls MN	US Military Acad, BS '53	administration	24	12
James River Corp Va/Robert C Williams*	61	Cincinnati OH	Cincinnati, BSME '53/Xavier, MBA '57	technical	32	1
Jefferson-Pilot/W Roger Soles	70	Whiteville NC	North Carolina, BS '47	finance	44	24
Johnson & Johnson/Ralph S Larsen	52	Brooklyn NY	Hofstra, BBA '62	operations	29	2
Johnson Controls/James H Keyes	50	La Crosse WI	Marquette, BS '62/Northwestern, MBA '63	finance	25	3
Jostens/H William Lurton	61	Greenwich CT	Principia, BA '51	sales	36	19
JWP/Andrew T Dwyer	42	Morristown NJ	Yale, BA '71/New York Law Sch, JD '74	legal	15	6
Kansas City P&L/Drue Jennings	44	Topeka KS	Kansas, BS '68/JD '72	legal	17	3
Kansas Power & Light/John E Hayes Jr	53	Kansas City MO	Rockhurst, BS '59	administration	2	2
Kaufman & Broad Home/Bruce E Karatz	45	Chicago IL	Boston U, BA '67/USC, JD '70	legal	19	5
Kellogg/William E LaMothe	64	Brooklyn NY	Fordham, BA '50	marketing	41	12
Kelly Services/Terence E Adderley	57	Detroit MI	Michigan, BBA '55/MBA '56	finance	33	24
Kemper/Joseph E Luecke	64	Philadelphia PA	La Salle, BA '50	insurance	40	12
Kentucky Utilities/John T Newton	60	Shelbyville KY	Western Kentucky, BS '52	finance	33	4

*Company founder. †New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$1,595	53%	$9	$1,900	$3,504	62	0.26%	$4.4	$2,762	$83	Geo A Hormel
1,422	23	1,207	—	2,629	98	0.40	6.8	4,320	235	Household Intl
688	0	150	—	838	450	0.03	1.5	4,179	340	Houston Industries
554	NA	—	—	554	599	‡	§	439	–161	Howard Savings Bank
724	13	3	573	1,300	287	0.28	4.0	720	86	Hubbell
1,142	10	161	—	1,303	285	2.21	117.6	5,261	332	Humana
721	–15	147	—	867	442	0.61	5.7	1,256	85	Huntington Bcshs
500	0	—	—	500	635	1.35	3.4	1,905	–220	ICH
235	—	7	—	243	777	0.03	0.3	465	69	Idaho Power
283	NA	6	—	289††	764	‡	0.1	1,396	–79	Illinois Power
842	12	8	3,690	4,540	40	0.47	14.4	2,544	182	Illinois Tool Works
807	–6	293	263	1,363	268	0.21	2.3	1,134	89	IMC Fertilizer Group
1,151	16	1,238	—	2,390	121	0.38	8.4	1,555	77	Imcera Group
447	–22	335	—	782	472	0.78	3.6	657	41	INB Financial
1,197	9	376	290	1,863	176	0.04	1.0	3,738	185	Ingersoll-Rand
492	–33	—	229	721	504	0.23	1.4	3,870	–21	Inland Steel Inds
683	4	45	—	728	500	0.02	§	1,361	–109	Inspiration Resource
346	15	72	—	418	705	0.09	0.4	740	26	Integra Financial
860	23	22	—	882	435	0.11	11.7	3,921	650	Intel
865	NA	—	—	865	443	15.69	71.9	1,534	34	Intelligent Electron
679	–9	—	—	679	523	‡	§	1,475	–133	Interco
300	0	10	—	310	760	3.08	44.3	1,045	63	Intergraph
2,028	185	600	647	3,275	71	‡	4.8	69,018	6,020	IBM
713	8	18	216	946	411	1.12	34.5	963	157	Intl Flavors & Frags
374*	0	2	—	376	725	0.05	0.3	2,178	31	Intl Multifoods
1,440	10	1,146	—	2,586	101	0.15	10.2	12,960	569	International Paper
1,635	–4	2,024	—	3,659	56	1.34	22.8	1,329	80	Interpublic Group
481	2	59	—	540	614	0.03	0.3	611	97	Ipalco Enterprises
1,000	–10	—	—	1,000	386	22.10	127.2	1,977	132	Itel
3,888	63	3,393	—	7,281	15	0.33	22.7	20,604	958	ITT
838	NA	19	436	1,294††	288	0.65	13.8	5,416	78	James River Corp Va
1,408	45	—	—	1,408	257	0.26	3.8	1,163	158	Jefferson-Pilot
1,082	28	945	78	2,104	152	‡	2.9	11,232	1,143	Johnson & Johnson
705	–6	4	188	897	427	0.11	1.3	4,582	89	Johnson Controls
1,006	14	17	4,973	5,996	29	0.88	11.6	821	62	Jostens
1,574	24	1	—	1,575	222	4.24	32.8	2,827	59	JWP
364	–1	21	—	384	720	0.02	0.2	761	103	Kansas City P&L
421	NA	—	—	421	701	0.01	§	1,150	80	Kansas Power & Light
1,826	–39	582	—	2,408	118	0.79	3.4	1,366	40	Kaufman & Broad Home
1,568	47	836	1,934	4,337	46	0.24	27.1	5,181	503	Kellogg
705	12	—	—	705	508	5.47	61.3	1,471	71	Kelly Services
731	12	470	—	1,201	315	0.22	3.9	2,929	12	Kemper
421	47	—	—	421	703	0.05	0.4	554	80	Kentucky Utilities

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Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Kerr-McGee/Frank A McPherson	58	Stillwater OK	Oklahoma St, BS '57	operations	34	8
KeyCorp/Victor J Riley Jr	59	Buffalo NY	Notre Dame, BA '53	finance	27	17
Kimberly-Clark/Darwin E Smith	65	Garrett IN	Harvard, LLB '55	legal	33	19
King World Prods/Michael King	43	Summit NJ	Fairleigh Dickinson, BA '71	marketing	18	7
Kmart/Joseph E Antonini	49	Morgantown WV	West Virginia, BS '64	sales	27	4
Knight-Ridder/James K Batten	55	Suffolk VA	Davidson, BS '57/Princeton, MPA '62	journalism	34	3
Kroger/Joseph A Pichler	51	St Louis MO	Notre Dame, BA '51/Chicago, PhD '65	administration	11	1
Lafarge/Robert W Murdoch	49	Australia	U of Brit Columbia, BA '64/U of Toronto, LLB '67	administration	24	2
LG&E Energy/Roger W Hale	47	Baltimore MD	Maryland, BA '65/MIT, MS '79	marketing	2	2
Liberty National/Joseph W Phelps	64	Richmond KY		banking	33	1
Eli Lilly/Richard D Wood	64	Brazil IN	Purdue, BS '48/Pennsylvania, MBA '50	marketing	41	18
Limited/Leslie H Wexner*	53	Dayton OH	Ohio St, BS '59	sales	28	28
Lincoln National/Ian M Rolland	57	Fort Wayne IN	DePauw, BA '55/Michigan, MA '56	insurance	35	14
Litton Industries/Orion L Hoch	62	Canonsburg PA	Carnegie-Mellon, BS '52/Stanford, PhD '57	technical	34	4
Liz Claiborne/Jerome A Chazen*	64	New York NY	Wisconsin, BA '48/Columbia, MBA '50	finance	14	2
Lockheed/Daniel M Tellep	59	Forest City PA	Calif Berkeley, BSME '54/MSEE '55	technical	36	2
Loctite/Kenneth W Butterworth	65	Australia	Sydney Tech, BS '55	technical	15	6
Loews/Laurence A Tisch†	68	Brooklyn NY	NYU, BS '42/Pennsylvania, MA '43	finance	32	31
Lone Star Tech/John P Harbin	73	Waxahachie TX	Texas, BA '39	finance	2	2
Long Island Lighting/William J Catacosinos	61	New York NY	NYU, BS '51/PhD '62	technical	12	7
Longs Drug Stores/Robert M Long	53	Oakland CA	Claremont Mens C, BA '60	sales	30	14
Loral/Bernard L Schwartz	65	New York NY	CUNY City Col, BBA '48	administration	19	19
Louisiana Land/H Leighton Steward	56	Fairfield TX	Southern Methodist, BS '58/MS '60	administration	9	2
Louisiana-Pacific/Harry A Merlo	66	Stirling City CA	Calif Berkeley, BS '49	marketing	41	17
Lowe's Cos/Leonard G Herring	63	Snow Hill NC	N Carolina, BS '48	finance	35	13
LTV/David H Hoag	51	Pittsburgh PA	Allegheny, BA '60	marketing	31	‡
Lubrizol/Lester E Coleman	60	Akron OH	Akron, BS '52/Illinois, PhD '55	technical	36	13
Lyondell Petrochem/Bob G Gower	53	West Franfort IL	Southern Illinois, BA '58/Minnesota, PhD '63	technical	28	3
Magma Copper/J Burgess Winter	58	Ireland	Belfast Tech, BS '56	technical	3	3
Manufacturers Hanover/John F McGillicuddy	60	Harrison NY	Princeton, BA '52/Harvard, LLB '55	banking	32	12
Manufacturers Natl/Gerald V MacDonald	52	Detroit MI	Michigan, BA '60	banking	31	1
Manville/W Thomas Stephens	48	Crossett AR	Arkansas, BS '65/MS '66	operations	28	5
Mapco/James E Barnes	57	Ponca City OK	Oklahoma St, BS '57	operations	8	7
Marion Merrell Dow/Joseph G Temple Jr	61	New York NY	Purdue, BSCHE '51	technical	40	1
Marriott/J Willard Marriott Jr	59	Washington DC	Utah, BS '54	administration	35	19
Marsh & McLennan Cos/Frank J Tasco	63	New York NY	NYU, BA '49	insurance	37	5
Marshall & Ilsley/John A Puelicher	70	Milwaukee WI	U Wisconsin Milwaukee, BA '43	banking	45	33
Martin Marietta/Norman R Augustine	55	Denver CO	Princeton, BS '57/MS '59	technical	14	3
Masco/Richard A Manoogian	54	Long Branch NJ	Yale, BA '58	administration	33	23
Masco Industries/Richard A Manoogian	54	Long Branch NJ	Yale, BA '58	administration	33	6
Mattel/John W Amerman	59	Newark NJ	Dartmouth, BA '53/MBA '54	marketing	11	4
Maxxam/Charles E Hurwitz	51	Kilgore TX	Oklahoma, BS '62	finance	13	11
May Dept Stores/David C Farrell	57	Chicago IL	Antioch, BA '56	sales	35	12

*Company founder. †Office jointly held with Preston R Tisch. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$792	2%	$29	$1,044	$1,866	175	0.10%	$2.2	$3,683	$150	Kerr-McGee
1,003	–9	4	—	1,007	383	0.05	0.6	1,800	148	KeyCorp
1,368	5	2,720	287	4,375	44	0.23	17.0	6,407	432	Kimberly-Clark
1,885	13	10	—	1,895	171	8.84	101.2	460	87	King World Prods
993	10	32	—	1,024	376	0.02	1.6	32,339	756	Kmart
636	–6	3	335	975	403	0.03	0.9	2,305	149	Knight-Ridder
763	NA	28	80	872	440	0.27	5.3	20,261	83	Kroger
502	–6	14	—	516	629	‡	§	1,598	50	Lafarge
504	68	153	—	657	538	‡	§	699	73	LG&E Energy
413	—	18	—	432	696	0.51	1.7	375	33	Liberty National
1,781	31	971	4,379	7,131	17	0.09	20.5	5,192	1,127	Eli Lilly
1,829	11	126	—	1,955	165	24.85	2,656.0	5,254	398	Limited
1,391	25	—	—	1,391	264	0.06	1.3	8,443	192	Lincoln National
1,336	20	57	—	1,393	263	0.23	4.3	5,155	171	Litton Industries
1,226	53	52	—	1,278	292	3.99	160.6	1,729	206	Liz Claiborne
1,011	32	99	3	1,113	340	0.01	0.3	9,958	335	Lockheed
558	NA	7	116	681	520	0.55	6.4	555	67	Loctite
333	35	18	—	351	741	13.69	1,019.2	11,799	805	Loews
377	NA	—	—	377	722	0.02	§	612	46	Lone Star Tech
395	0	9	—	404	713	0.01	0.3	2,447	320	Long Island Lighting
440	7	10	—	451	681	10.19	87.4	2,334	60	Longs Drug Stores
3,213	84	3	—	3,216	73	2.50	25.9	1,789	85	Loral
743	12	40	455	1,238	300	0.11	1.3	858	55	Louisiana Land
650	13	1,835	—	2,485	109	0.94	12.1	1,793	91	Louisiana-Pacific
547	12	31	—	578	583	1.31	15.2	2,833	71	Lowe's Cos
590	NA	182	—	773††	478	‡	§	6,138	71	LTV
922	48	43	169	1,133	331	0.26	5.1	1,453	190	Lubrizol
878	8	4	—	881	437	0.06	1.1	6,495	356	Lyondell Petrochem
650	NA	105	—	755	484	0.59	1.1	767	80	Magma Copper
1,082	–36	16	—	1,098	348	–0.24	4.6	7,695	139	Manufacturers Hanover
450	—	244	—	694	514	0.27	2.5	1,162	108	Manufacturers Natl
859	–38	100	—	959	407	0.13	0.4	2,245	111	Manville
1,690	20	268	4,156	6,114	28	0.41	6.7	2,708	130	Mapco
1,456	NA	—	—	1,456	247	‡	0.7	2,462	487	Marion Merrell Dow
761	–25	330	—	1,091	353	8.77	151.1	7,646	47	Marriott
1,559	9	183	1,070	2,812	86	0.16	9.1	2,723	304	Marsh & McLennan Cos
836	39	702	—	1,538	231	0.97	7.3	833	71	Marshall & Ilsley
1,122	9	41	—	1,163	324	0.08	2.1	6,126	328	Martin Marietta
1,056	–2	2,477	3,391	6,924**	22	1.42	52.0	3,209	139	Masco
280	–7	—	—	280**	767	8.72	34.9	1,562	–24	Masco Industries
1,221	11	1,347	238	2,806	88	0.20	2.7	1,471	91	Mattel
3,977	1	83	497	4,557**	39	30.91[2]	116.9	2,361	144	Maxxam
1,505	–2	25	1,317	2,847	84	0.31	21.9	10,066	500	May Dept Stores

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Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Maytag/Daniel J Krumm	64	Sioux City IA	U of Iowa, BA '50	marketing	38	17
MBIA/William O Bailey	64	Syracuse NY	Dartmouth, AB '47/Pennsylvania, MBA '49	finance	4	4
McCaw Cellular/Craig O McCaw*	41	Centralia WA	Stanford, BA '73	administration	25	11
McCormick & Co/Charles P McCormick Jr	62	Baltimore MD		sales	42	4
McDonald's/Michael R Quinlan	46	Chicago IL	Loyola, BS '67/MBA '70	administration	25	4
McDonnell Douglas/John F McDonnell	53	Baltimore MD	Princeton, BS '60/MS '62	administration	29	3
McGraw-Hill/Joseph L Dionne	57	Montgomery AL	Hofstra, BA '55/Columbia, EdD '65	operations	25	8
MCI Communications/William G McGowan*	63	Ashley PA	King's, BS '52/Harvard, MBA '54	operations	23	23
McKesson/Alan Seelenfreund	54	New York NY	Cornell, BME '59/Stanford, PhD '67	technical	16	2
Mead/Burnell R Roberts	64	Lafayette WI	U Wis Milw, BBA '50/Harvard, MBA '57	finance	25	9
Medco Containment/Martin J Wygod*	51	New York NY	NYU, BA '60	finance	8	8
Medtronic/William W George	48	Muskegon MI	Georgia Tech, BSIE '64/Harvard, MBA '66	technical	2	‡
Mellon Bank/Frank V Cahouet	59	Boston MA	Harvard, BA '54/Pennsylvania, MBA '59	banking	4	4
Melville/Stanley P Goldstein	56	Woonsocket RI	Pennsylvania, BS '55	sales	28	4
Mercantile Bancorp/Thomas H Jacobsen	51	Chicago IL	Lake Forest, BS '63/Chicago, MBA '68	banking	2	2
Mercantile Bkshs/H Furlong Baldwin	59	Baltimore MD	Princeton, AB '54	banking	35	15
Mercantile Stores/David R Huhn	53	Cincinnati OH	Xavier, BS '59	sales	32	2
Merchants National/Otto N Frenzel III	60	Indianapolis IN	Pennsylvania, BS '54	banking	37	18
Merck/P Roy Vagelos	61	Westfield NJ	Pennsylvania, AB '50/Columbia, MD '54	technical	16	6
Meridian Bancorp/Samuel A McCullough	52	Pittsburgh PA	Pittsburgh, BBA '60	banking	16	13
Meritor Savings Bank/Roger S Hillas	64	Wincote PA	Dartmouth, AB '49/Pennsylvania, MBA '51	banking	3	3
Merrill Lynch/William A Schreyer	63	Williamsport PA	Penn St, BA '48	finance	43	7
Fred Meyer/Frederick M Stevens†	54	Jonesboro AR	Louisiana St, BS '59	sales	3	3
Michigan National/Robert J Mylod	51	Brooklyn NY	St John's, BA '61	banking	6	6
Microsoft/William H Gates III*	34	Seattle WA		technical	16	10
Midlantic/Garry J Scheuring	51	Fairmont MN	Notre Dame, BS '61/Chicago, MBA '64	banking	‡	‡
Millipore/John A Gilmartin	49	Hackensack NJ	Penn St, BA '65/Harvard, MBA '67	finance	12	5
Minn Mining & Mfg/Allen F Jacobson	64	Omaha NE	Iowa St, BS '47	operations	44	5
Minnesota Power & Lt/Arend J Sandbulte	57	Sioux Center IA	Iowa St, BSEE '59/Minnesota, MBA '66	finance	27	3
MNC Financial/Alfred Lerner	58	New York NY	Columbia, BA '55	finance	8	1
Mobil/Allen E Murray	62	New York NY	NYU, BS '56	finance	38	5
Molex/Frederick A Krehbiel	49	Hinsdale IL	Lake Forest, BA '63	operations	26	3
Monarch Capital/Roger T Servison	45	Columbus OH	U of Iowa, BA '67/Harvard, MBA '69	finance	1	1
Monsanto/Richard J Mahoney	57	Springfield MA	U of Massachusetts, BS '55	marketing	29	8
Montana Power/Warren P Schmechel	63	Carrington ND	Montana St, BSEE '53	operations	38	8
JP Morgan & Co/Dennis Weatherstone	60	England		banking	45	1
Morgan Stanley/Richard B Fisher	54	Philadelphia PA	Princeton, BA '57/Harvard, MBA '62	banking	29	‡
Morrison Knudsen/William J Agee	53	Boise ID	Idaho, BS '60/Harvard, MBA '63	finance	3	3
Morton International/Charles S Locke	62	Laurel MI	Mississippi, BBA '52/MS '55	finance	16	11
Motorola/George M C Fisher	50	Anna IL	Illinois, BS '62/Brown, PhD '66	technical	15	3
Multibank Financial/David B Lynch	64	New York NY	Yale, BA '50/NYU, LLB '55	finance	16	16
Murphy Oil/Jack W McNutt	56	Norphlet AR	Harding, BS '56/Columbia, MS '57	finance	34	3
Nacco Industries/Ward Smith	60	Buffalo NY	Harvard, AB '52/SUNY Buffalo, JD '55	legal	5	5

*Company founder. †Resigned 1/26/91. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$926	-25%	$408	—	$1,333	279	0.16%	$2.6	$2,057	$99	Maytag
775	8	306	—	1,081	357	0.05	0.7	224	127	MBIA
209	-28	—	—	209	781	8.26	407.0	1,037	371	McCaw Cellular
1,000	14	11	$316	1,327	280	0.59	8.8	1,323	69	McCormick & Co
1,250	24	183	176	1,609	216	0.06	8.1	6,640	802	McDonald's
578	-9	20	—	598	572	3.41	61.1	16,255	306	McDonnell Douglas
1,029	6	463	169	1,660	210	0.23	6.9	1,939	173	McGraw-Hill
1,444	9	—	—	1,444	250	1.57	112.6	7,680	299	MCI Communications
657	—	18	176	851	448	0.12	1.5	8,337	96	McKesson
551	-40	149	—	701	511	0.08	1.4	4,772	32	Mead
582	NA	76	—	657	539	3.77	88.0	1,162	41	Medco Containment
496	NA	208	—	704††	509	0.07	2.3	977	124	Medtronic
1,150	8	190	1,174	2,514	106	0.28	3.6	3,403	174	Mellon Bank
1,215	2	247	—	1,462	245	0.18	9.7	8,687	785	Melville
754	61	599	—	1,353	276	0.15	0.8	757	57	Mercantile Bancorp
499	-41	20	—	519	626	0.32	2.6	495	69	Mercantile Bkshs
647	NA	—	—	647	544	0.04	0.7	2,367	124	Mercantile Stores
400	-30	292	—	692	517	7.95	23.1	568	16	Merchants National
2,092	-11	5	5,050	7,147	16	0.08	33.3	7,672	1,781	Merck
520	-12	31	—	551	601	0.17	1.2	1,272	23	Meridian Bancorp
620	4	—	—	620	556	0.04	§	792	-209	Meritor Savings Bank
1,645	6	2,370	—	4,015	53	0.29	13.0	11,213	192	Merrill Lynch
583	0	17	—	600**	569	0.11	0.4	2,476	34	Fred Meyer
436	-47	—	—	436	692	0.12	0.4	1,238	48	Michigan National
261	37	—	—	261	770	35.52	4,156.2	1,478	356	Microsoft
650*	NA	—	—	650	541	‡	§	2,495	-195	Midlantic
584	NA	64	—	649	542	0.28	3.4	703	28	Millipore
1,270	8	821	720	2,810	87	0.03	5.2	13,021	1,308	Minn Mining & Mfg
526	63	22	—	548	604	0.05	0.5	477	75	Minnesota Power & Lt
546	NA	—	—	546††	607	8.46	38.6	3,217	-440	*MNC Financial
1,865	11	1,037	1,679	4,581	38	0.03	8.3	57,819	1,929	Mobil
287	-13	228	—	516	628	8.32	126.7	649	66	Molex
360*	NA	186	—	546	607	‡	§	430	-100	Monarch Capital
1,220	-7	220	333	1,773	186	0.08	6.5	8,995	546	Monsanto
289	6	6	12	306	761	0.06	0.7	842	95	Montana Power
1,583	—	132	688	2,403	119	0.07	6.9	10,465	775	JP Morgan & Co
2,553	NA	20	—	2,573††	103	3.09	99.3	5,870	270	Morgan Stanley
1,127	32	418	—	1,545	230	1.13	7.5	1,653	35	Morrison Knudsen
1,073	63	594	133	1,800	182	0.20	4.8	1,799	139	Morton International
931	20	742	17	1,690	201	‡	0.4	10,885	499	Motorola
315	-17	4	—	319	754	0.72	0.4	321	-21	Multibank Financial
568	22	20	—	589	575	0.14	1.8	2,013	102	Murphy Oil
602	NA	—	—	602	568	0.01	§	1,385	31	Nacco Industries

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Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Nalco Chemical/Worley H Clark Jr	58	Big Stone Gap VA	North Carolina St, BS '56	sales	31	8
Nash Finch/Harold B Finch Jr	63	Grand Forks ND	Minnesota, BS '52	marketing	25	9
National City/Edward B Brandon	59	Davenport IA	Northwestern, BS '53/Pennsylvania, MBA '56	banking	35	4
Natl Community Bks/Robert M Kossick	50	New Brunswick NJ	Georgia Tech, BS '63/St Mary's, MA '76	banking	12	12
National Health Labs/Robert E Draper	54	Yonkers NY		finance	20	17
National Intergroup/Robert L King	40	McAlester OK	Southwestern Oklahoma, BS '73	technical	15	‡
National Medical/Richard K Eamer*	63	Long Beach CA	USC, BS '55/LLB '59	legal	22	22
Natl Semiconductor/Gilbert Amelio	48	New York NY	Georgia Tech, BS '65/PhD '68	technical	‡	‡
National Service/Sidney Kirschner	56	Canada	NM Sch Mines, BA '56	technical	18	4
Navistar Intl/James C Cotting	57	Winchester MA	Ohio St, BA '55	finance	12	4
NBD Bancorp/Charles T Fisher III	61	Detroit MI	Georgetown, AB '51/Harvard, MBA '53	banking	33	9
NCNB/Hugh L McColl Jr	55	Bennettsville SC	North Carolina, BS '57	banking	32	8
NCR/Charles E Exley Jr	61	Detroit MI	Wesleyan, BA '52/Columbia, MBA '54	finance	15	8
New England Electric/John W Rowe	46	Dodgeville WI	Wisconsin, BS '67/JD '70	legal	2	2
NY State E&G/James A Carrigg	58	Johnson City NY	Broome Comm, AAS '58	operations	33	3
New York Times/Arthur Ochs Sulzberger	65	New York NY	Columbia, BA '51	journalism	37	12
Newell Co/Daniel C Ferguson	64	Freeport IL	Hamilton, BA '48/Stanford, MBA '50	administration	41	25
Newmont Mining/Gordon R Parker	55	Rep of S Africa	Montana C, BS '58/U of Cape Town, MBA '66	operations	32	6
News Corp Ltd/K Rupert Murdoch	60	Australia	Oxford, MA '53	journalism	36	14
Niagara Mohawk Power/William J Donlon	61	Albany NY	Siena, BS '62	marketing	43	3
Nicor/Richard G Cline	56	Chicago IL	Illinois, BS '57	sales	6	5
NIKE/Philip H Knight*	53	Portland OR	Oregon, BA '59/Stanford, MBA '62	finance	27	27
Nipsco Industries/Edmund A Schroer	63	Hammond IN	Valparaiso, BA '49/Northwestern, JD '52	legal	14	14
Nordstrom/Bruce A Nordstrom†	58	Seattle WA	Washington, BA '56	sales	36	20
Norfolk Southern/Arnold B McKinnon	63	Goldsboro NC	Duke, AB '50/LLB '51	legal	40	4
Northeast Bancorp/Frank J Kugler Jr	57	Bridgeport CT	Widener, BA '57	banking	32	4
Northeast Federal/George P Rutland	58	Tifton GA	Pace, BBA '61	banking	3	3
Northeast Utilities/William B Ellis	50	Vicksburg MS	Carnegie-Mellon, BS '62/Maryland, PhD '66	technical	15	8
Northern States Power/James J Howard	55	Pittsburgh PA	Pittsburgh, BBA '57/MIT, MS '70	technical	4	4
Northern Trust/David W Fox	59	Aurora IL	Notre Dame, BS '53/Chicago, MBA '58	banking	36	1
Northrop/Kent Kresa	53	New York NY	MIT, BS '59/MS '61	technical	16	1
Norwest/Lloyd P Johnson	61	Minneapolis MN	Carleton, BA '52/Stanford, MBA '54	banking	6	6
Novell/Raymond J Noorda*	66	Ogden UT	Utah, BSEE '49	technical	8	8
Nucor/F Kenneth Iverson	65	Downers Grove IL	Cornell, BS '46/Purdue, MS '47	technical	29	26
NWNL/John E Pearson	64	Minneapolis MN	Minnesota, BA '48	sales	38	14
Nynex/William C Ferguson	60	Detroit MI	Albion, AB '52	operations	39	2
Occidental Petroleum/Ray R Irani	56	Lebanon	American University, BS '53/USC, PhD '57	technical	8	‡
Ogden/R Richard Ablon	41	New York NY	Boston U, BA '71	marketing	20	1
Ohio Casualty/Joseph L Marcum	67	Hamilton OH	Antioch, BA '47/Miami of OH, MBA '65	insurance	44	3
Ohio Edison/Justin T Rogers Jr	61	Sandusky OH	Princeton, AB '51/Michigan, JD '54	legal	33	11
Oklahoma G&E/James G Harlow Jr	56	Oklahoma City OK	Oklahoma, BS '57	finance	30	15
Old Kent Financial/John C Canepa	60	Newburyport MA	Harvard, BA '53/NYU, MBA '60	banking	21	9
Old Republic Intl/A C Zucaro	52	France	CUNY Queens, BS '62	finance	15	1

*Company founder. †Office jointly held with James F and John N Nordstrom. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$1,022	16%	$663	—	$1,685	204	0.10%	$2.2	$1,212	$131	Nalco Chemical
355	9	55	—	410	707	1.57	3.4	2,369	18	Nash Finch
884	2	388	—	1,272	293	0.04	0.8	2,682	234	National City
660	–29	222	—	882	436	1.95	4.1	392	2	Natl Community Bks
1,294	NA	1,010	$200	2,504	107	‡	§	502	83	National Health Labs
317	NA	—	—	317††	755	‡	§	2,710	–282	National Intergroup
1,879	12	6,690	—	8,569	12	2.10	81.4	3,742	259	National Medical
NA	NA	—	—	—	—	‡	§	1,713	–152	Natl Semiconductor
815	12	5	—	820	460	0.15	1.9	1,643	93	National Service
450	0	31	—	481	651	0.04	0.3	3,810	–31	Navistar Intl
1,360	12	—	—	1,360	271	0.24	7.0	2,688	275	NBD Bancorp
700	–53	1,316	—	2,016	160	0.13	5.1	6,682	366	NCNB
1,195	2	15	1,470	2,680	93	0.19	12.7	6,285	369	NCR
532	48	96	—	628	553	0.01	0.2	1,855	262	New England Electric
339	12	1	—	340	744	0.01	0.2	1,497	158	NY State E&G
463	–22	25	110	597	574	9.41	156.3	1,777	65	New York Times
1,070	–9	—	619	1,688	203	2.92	55.4	1,073	101	Newell Co
1,035	16	—	927	1,962	163	0.06	1.5	683	343	Newmont Mining
1,550E	29	—	—	1,550	228	44.80	1,849.6	6,745	158	News Corp Ltd
306	–4	9	—	315	756	0.01	0.2	3,155	83	Niagara Mohawk Power
878	3	911	—	1,789	184	0.26	3.1	1,536	114	Nicor
543	112	21	—	564	596	34.84	1,301.0	2,894	296	NIKE
599	71	16	—	615	561	0.10	1.3	1,521	138	Nipsco Industries
300	0	52	58	411	706	6.65	208.0	2,894	116	Nordstrom
1,631	33	225	735	2,591	100	0.03	2.3	4,617	556	Norfolk Southern
328	11	—	—	328	750	0.40	0.3	343	–59	Northeast Bancorp
532	15	20	—	552	600	‡	§	478	–101	Northeast Federal
500	–4	35	—	535	618	0.01	0.3	2,616	211	Northeast Utilities
552	–5	31	—	584	577	0.02	0.4	2,065	196	Northern States Power
784	—	20	138	943	413	0.21	2.6	1,323	115	Northern Trust
1,125	—	671	—	1,796	183	0.47	5.3	5,490	210	Northrop
1,379	7	119	1,181	2,679	94	0.25	7.3	3,482	281	Norwest
36	20	—	—	36	787	11.33	438.9	526	110	Novell
402	43	123	—	525	623	1.12	19.2	1,482	75	Nucor
665	8	—	10	675	526	0.16	0.5	1,332	50	NWNL
1,045	—	199	208	1,451	248	0.01	1.4	13,592	949	Nynex
2,096	NA	4,335	—	6,430††	27	0.07	4.0	21,694	–1,688	Occidental Petroleum
700	NA	3,685	—	4,385	43	0.38	3.0	1,563	56	Ogden
448	1	6	32	486	649	3.12	25.9	1,638	84	Ohio Casualty
412	5	29	—	441	690	‡	0.2	2,226	282	Ohio Edison
450	6	20	—	470	664	0.07	1.1	1,231	139	Oklahoma G&E
680	10	—	—	680	522	0.47	3.2	870	88	Old Kent Financial
537	NA	7	—	544	610	0.07	0.4	1,243	105	Old Republic Intl

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Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Old Stone/Theodore W Barnes	60	Providence RI				
Olin/John W Johnstone Jr	58	Brooklyn NY	Hartwick, BA '54	banking	43	15
Oracle Systems/Lawrence J Ellison*	46	New York NY	Chicago, BS '66/Illinois, MS '68	marketing	12	4
Oryx Energy/Robert P Hauptfuhrer	59	Philadelphia PA	Princeton, BA '53/Harvard, MBA '57	technical	14	14
Owens-Corning/Max O Weber	61	Blackwell OK	Kansas, BS '51	finance	34	3
Paccar/Charles M Pigott	62	Seattle WA	Stanford, BS '51	operations	36	1
				administration	35	23
Pacific Enterprises/James R Ukropina	53	Fresno CA	Stanford, AB '59/USC, LLB '65			
Pacific G&E/Richard A Clarke	61	San Francisco CA	Calif Berkeley, AB '52/JD '55	legal	7	2
Pacific Telesis/Sam Ginn	54	St Clair AL	Auburn, BS '59	legal	36	5
PacifiCorp/Al M Gleason	61	Sheridan County KS		technical	31	3
PaineWebber Group/Donald B Marron	56	Goshen NY		administration	42	2
Pall/Maurice G Hardy	61	England	Merchant Ventures, BSME '49	finance	32	11
				administration	29	2
Pan Am/Thomas G Plaskett	47	Kansas City MO	GMI Inst, BS '66/Harvard, MBA '68			
Panhandle Eastern/Dennis R Hendrix	51	Selmer TN	Tenn Knoxville, BS '62/Georgia St, MBA '67	finance	3	3
Paramount Commun/Martin S Davis	64	New York NY		administration	6	1
Parker Hannifin/Paul G Schloemer	62	Cincinnati OH	Cincinnati, BSME '51/Ohio St, MBA '55	administration	33	8
Penn Central/Carl H Lindner	72	Dayton OH		operations	34	7
Penn Traffic/Claude Incaudo	57	Detroit MI		finance	8	4
				operations	14	1
JC Penney/William R Howell	55	Claremore OK	Oklahoma, BBA '58			
Pennsylvania P&L/John T Kauffman	64	Weehawken NJ	Purdue, BS '50	sales	33	8
Pennzoil/James L Pate	55	Mt Sterling IL	Monmouth, AB '63/Indiana, JD '68	technical	41	1
People's Bank/David E A Carson	56	England	Michigan, BBA '55	finance	15	1
PepsiCo/D Wayne Calloway	55	Elkin NC	Wake Forest, BBA '59	insurance	8	6
Perpetual Financial/John Morton III	47	Orange NJ	US Naval Acad, BS '67/Harvard, MBA '73	finance	24	5
				banking	1	1
Petrie Stores/Milton J Petrie*	88	Salt Lake City UT				
Pfizer/William C Steere Jr	54	Ann Arbor MI	Stanford, BA '59	sales	64	64
Phelps Dodge/Douglas C Yearley	55	Oak Park IL	Cornell, BMETE '58	marketing	32	‡
PHH/Robert D Kunisch	49	Norwalk CT	NYU, BBA '63	technical	31	2
Philadelphia Elec/Joseph F Paquette Jr	56	Norwood MA	Yale, BS '56	marketing	25	3
Philip Morris Cos/Hamish Maxwell	64	England	Cambridge, BA '49	administration	35	3
				marketing	37	7
Phillips Petroleum/C J Silas	59	Miami FL	Georgia Tech, BS '53			
PHM/William J Pulte	59	Detroit MI		operations	38	6
Pinnacle West/Richard Snell	60	Phoenix AZ	Stanford, BA '52/JD '54	administration	41	‡
Pioneer Hi-Bred Intl/Thomas N Urban	57	Des Moines IA	Harvard, BA '56/MBA '60	legal	1	1
Pitney Bowes/George B Harvey	60	New Haven CT	Pennsylvania, BS '54	administration	31	10
Pittston/Paul W Douglas	64	Springfield MA	Princeton, BA '48	finance	34	8
				sales	7	7
PNC Financial/Thomas H O'Brien	54	Pittsburgh PA	Notre Dame, BS '58/Harvard, MBA '62			
Polaroid/I MacAllister Booth	59	Atlanta GA	Cornell, BME '55/MBA '58	banking	29	6
Portland General/Ken L Harrison	48	Bakersfield CA	Oregon St, BS '64/MS '66	operations	33	5
Potlatch/Richard B Madden	62	Short Hills NJ	Princeton, BS '51/Michigan, JD '56	finance	16	2
Potomac Electric/Edward F Mitchell	59	Harrisonburg VA	Virginia, BSEE '56/George Washington, MEA '60	finance	20	20
PPG Industries/Vincent A Sarni	62	Bayonne NJ	Rhode Island, BS '49	technical	35	2
Premark Intl/Warren L Batts	58	Norfolk VA	Georgia Tech, BEE '61/Harvard, MBA '63	marketing	22	7
				administration	11	5

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$296	–1%	$497	—	$793	469	1.34%	$0.9	$405	$3	Old Stone
742	–17	170	—	911	422	0.21	1.8	2,592	84	Olin
1,600	–8	—	—	1,600	217	26.17	361.7	1,059	57	Oracle Systems
984	5	691	$1,482	3,156	76	0.07	2.0	1,940	225	Onyx Energy
634	NA	10	—	644	547	0.13	1.4	3,111	75	Owens-Corning
908	–6	1,397	—	2,305	124	6.85	92.6	2,778	64	Paccar
790	–12	208	—	998	389	0.09	2.1	6,923	–43	Pacific Enterprises
1,100	58	25	—	1,124	336	‡	0.5	9,470	987	Pacific G&E
964	5	1,181	—	2,144	144	0.02	3.5	9,716	1,030	Pacific Telesis
959	26	—	—	959	408	0.01	0.8	3,783	474	PacifiCorp
950	–54	—	—	950	410	1.59	10.1	2,979	–57	PaineWebber Group
476	—	158	—	635	550	0.16	3.1	611	71	Pall
500	0	—	—	500	636	0.17	0.3	3,918	–447	Pan Am
NA[2]	NA	—	—	—	—	0.34	4.1	2,988	–218	Panhandle Eastern
3,646	–11	7,653	—	11,299	7	1.23	54.9	3,922	231	Paramount Commun
984	11	252	126	1,362	270	0.13	1.7	2,518	106	Parker Hannifin
738	10	—	—	738	496	46.49	546.3	2,154	98	Penn Central
580	—	—	—	580	581	0.56	0.7	2,867	–32	Penn Traffic
1,001	–8	384	470	1,855	177	0.05	2.8	16,365	577	JC Penney
301	NA	34	—	335	748	0.01	0.4	2,389	344	Pennsylvania P&L
661	—	328	195	1,184	320	0.04	1.1	2,180	94	Pennzoil
339	–11	106	—	445	684	0.13	0.2	697	–85	People's Bank
1,900	26	5	—	1,905	170	0.04	10.3	17,803	1,077	PepsiCo
400*	NA	—	—	400	716	‡	§	511	–147	Perpetual Financial
150	0	—	—	150**	785	60.69	585.5	1,293	24	Petrie Stores
716	NA	—	269	986††	393	0.01	1.9	6,406	801	Pfizer
1,015	21	294	2,001	3,309	69	0.15	3.5	2,636	455	Phelps Dodge
746	6	115	217	1,079	359	0.18	0.8	1,989	36	PHH
503	–19	—	—	503	633	‡	0.2	3,705	106	Philadelphia Elec
2,408	28	—	2,947	5,355	31	0.08	49.1	44,323	3,540	Philip Morris Cos
1,161	–6	3,268	—	4,429	42	0.18	13.0	13,603	541	Phillips Petroleum
476	NA	—	—	476††	657	29.95	117.2	1,152	30	PHM
469	NA	—	—	469	668	0.04	0.4	1,597	97	Pinnacle West
660	44	—	—	660	535	0.38	5.4	968	67	Pioneer Hi-Bred Intl
775	–10	—	486	1,261	297	0.22	9.3	3,196	213	Pitney Bowes
800	19	14	—	814	461	0.03	0.2	1,850	46	Pittston
741	–32	89	—	830	456	0.04	1.4	4,880	71	PNC Financial
647	65	54	—	701	510	0.02	0.3	1,972	151	Polaroid
574	NA	—	—	574	587	‡	§	852	100	Portland General
653	–24	17	1,463	2,133	147	0.11	1.1	1,253	99	Potlatch
448	–8	13	—	461	676	0.03	0.7	1,412	170	Potomac Electric
1,145	5	1,294	—	2,439	113	0.06	3.2	6,021	475	PPG Industries
944	36	414	—	1,358	274	0.54	3.8	2,721	52	Premark Intl

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 29, 1991. [2]No salary for 3 years. Received restricted stock that vests every 3 months and dividends. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. **Prior year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Premier Bancorp/G Lee Griffin	52	Leavenworth KS	Texas, BS '60/Louisiana St, MS '62	banking	29	3
Premier Industrial/Morton L Mandel*	69	Cleveland OH		administration	51	51
Price Co/Robert E Price*	48	San Diego CA	Pomona, BA '64	administration	15	15
Primerica/Sanford I Weill	58	New York NY	Cornell, BA '55	finance	5	5
Procter & Gamble/Edwin L Artzt	61	New York NY	Oregon, BS '51	marketing	37	1
Progressive/Peter B Lewis	57	Cleveland OH	Princeton, AB '55	insurance	36	26
Provident Life & Acc/Winston W Walker	47	Traverse City MI	Tulane, BS '65/Georgia, PhD '69	insurance	17	3
PSI Resources/James E Rogers Jr	43	Birmingham AL	Kentucky, BBA '70/JD '74	legal	3	3
Public Service Colo/Delwin D Hock	56	Colorado Springs CO	Colorado, BS '56	finance	29	3
Pub Svc Enterprise/E James Ferland	49	Boston MA	Maine, BS '64/New Haven, MBA '76	technical	5	5
Puget Sound Bancorp/William W Philip	64	Tacoma WA		banking	40	19
Puget Sound P&L/John W Ellis	62	Seattle WA	Washington, BS '50/JD '53	legal	21	15
Quaker Oats/William D Smithburg	52	Chicago IL	DePaul, BS '60/Northwestern, MBA '61	marketing	25	10
Quantum Chemical/John Hoyt Stookey	61	New York NY	Amherst, BA '52	technical	21	5
Ralston Purina/William P Stiritz	56	Jasper AR	Northwestern, BS '59/St Louis, MA '68	marketing	27	10
Raytheon/Dennis J Picard	58	Providence RI	Northeastern, BSEE '62	technical	36	‡
Reader's Digest Assn/George V Grune	61	White Plains NY	Duke, AB '52	marketing	31	7
Reebok International/Paul B Fireman	47	Cambridge MA	Boston U	sales	12	12
Reliance Group/Saul P Steinberg*	51	New York NY	Pennsylvania, BS '61	finance	30	30
Republic New York/Walter H Weiner	60	Brooklyn NY	Michigan, BA '52/JD '53	legal	11	11
Reynolds Metals/William O Bourke	64	Chicago IL	DePaul, BSC '51	operations	10	5
Rhone-Poulenc Rorer/Robert E Cawthorn	55	England	Cambridge, BS '59	administration	9	6
Riggs National/Joe L Allbritton	66	D'Lo MS	Baylor, LLB '49	finance	20	10
Rite Aid/Alex Grass*	63	Scranton PA	Florida, LLB '49	legal	38	29
RJR Nabisco/Louis V Gerstner Jr	49	New York NY	Dartmouth, BA '63/Harvard, MBA '65	finance	2	2
Roadway Services/Joseph M Clapp	54	Greensboro NC	North Carolina, BS '58	sales	24	4
Rochester Community/Leonard S Simon	54	Passaic NJ	MIT, BS '58/Columbia, PhD '63	marketing	22	7
Rockwell Intl/Donald R Beall	52	Beaumont CA	San Jose State U, BS '60/Pittsburgh, MBA '61	administration	23	3
Rohm & Haas/J Lawrence Wilson	55	Rosedale MS	Vanderbilt, BE '58/Harvard, MBA '63	finance	26	3
Rose's Stores/Lucius H Harvin III	52	Boston MA	North Carolina, BA '60/Duke, JD '63	sales	27	11
Rubbermaid/Walter W Williams	57	Utica NY	Syracuse, BS '61	sales	4	‡
Ruddick/Alan T Dickson	60	Charlotte NC	N Carolina St, BS '53/Harvard, MBA '55	administration	23	23
Russell/Dwight L Carlisle Jr	55	Alexander City AL	Auburn, BS '58	operations	35	3
Ryder System/M Anthony Burns	48	Las Vegas NV	Brigham Young, BS '64/Calif Berkeley, MBA '65	finance	17	8
Rykoff-Sexton/Roger W Coleman	62	Newark NJ	UCLA, BS '51	operations	40	24
Ryland Group/Roger W Schipke	54	St Louis MO	Washington, BS '58/NYU, MBA '61	sales	1	‡
Safeco/Bruce Maines	64	Tacoma WA	Washington, BS '48/JD '49	legal	41	5
Safety-Kleen/Donald W Brinckman*	60	Chicago IL	Northwestern, BS '54/MBA '59	marketing	23	23
Safeway/Peter A Magowan	49	New York NY	Stanford, BA '64/Oxford, MA '66	administration	23	11
St Jude Medical/Lawrence A Lehmkuhl	53	Preston IA	U of Iowa, BA '62	operations	6	6
St Paul Bancorp/Joseph C Scully*	50	Detroit MI	Loyola, BS '62/MBA '72	banking	28	9
St Paul Cos/Douglas W Leatherdale	54	Canada	U of Manitoba, BA '57	finance	19	1
Salomon/John H Gutfreund	61	New York NY	Oberlin, BA '51	finance	38	7

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$273	-2%	$10	—	$283**	766	0.27%	$0.3	$397	$7	Premier Bancorp
441	8	—	—	441	689	19.02	297.2	639	77	Premier Industrial
240	-3	—	—	240	778	2.87	75.5	5,632	128	Price Co
1,846	20	916	—	2,762	89	0.40	13.4	6,194	373	Primerica
1,261	—	450	$1,178	2,890	81	0.03	9.2	25,848	1,733	Procter & Gamble
2,105	11	1,445	—	3,550	59	19.18	256.3	1,376	93	Progressive
743	67	—	—	743	488	‡	§	2,751	179	Provident Life & Acc
445	23	37	—	482	650	‡	§	998	119	PSI Resources
345	14	—	—	345	742	0.02	0.3	1,734	146	Public Service Colo
528	5	84	9	621	555	‡	0.5	4,800	542	Pub Svc Enterprise
450	6	15	31	496	641	1.14	4.8	487	46	Puget Sound Bancorp
468	26	10	—	478	654	0.03	0.4	935	132	Puget Sound P&L
1,077	-16	1,612	759	3,448	64	0.27	11.8	5,296	227	Quaker Oats
771	-40	56	396	1,222	303	0.27	1.1	2,618	21	Quantum Chemical
1,161	9	66	964	2,191	134	1.24	74.8	7,177	401	Ralston Purina
925	NA	8	—	933††	415	0.02	0.8	9,268	557	Raytheon
1,193	26	6,297	—	7,490	14	0.26	10.6	2,203	190	Reader's Digest Assn
14,822	1	4	—	14,826	4	7.33	217.7	2,159	177	Reebok International
6,314	1	164	—	6,478	26	60.23	258.2	3,684	118	Reliance Group
951	56	14	—	965	405	0.07	1.5	2,772	201	Republic New York
1,441	-19	60	658	2,159	139	0.08	2.9	6,022	297	Reynolds Metals
1,054	9	45	4,835	5,935	30	0.02	1.3	2,917	1	Rhone-Poulenc Rorer
1,439	-3	144	—	1,583	221	35.94	50.8	728	-61	Riggs National
800	12	—	87	887	432	7.60	140.3	3,373	103	Rite Aid
3,020	NA	4,053	—	7,073	19	3.30	24.9	13,879	-462	RJR Nabisco
708	20	15	—	723	502	0.16	3.2	2,971	119	Roadway Services
442	11	18	—	459	677	0.37	0.5	449	8	Rochester Community
1,492	10	2,497	—	3,989	54	0.15	9.8	12,432	620	Rockwell Intl
759	12	228	—	987	392	0.10	2.6	2,824	207	Rohm & Haas
252	-10	34	—	286	765	5.89	4.2	1,525	-28	Rose's Stores
726	NA	193	—	919††	418	0.14	5.6	1,534	144	Rubbermaid
320	NA	9	—	329	749	4.00	10.9	1,432	24	Ruddick
400	-11	—	123	523	624	0.31	3.1	714	68	Russell
776	4	25	—	802	466	0.07	0.9	5,162	43	Ryder System
598	10	70	—	668	529	1.32	2.9	1,457	12	Rykoff-Sexton
432†	NA	—	—	432	695	1.25	3.4	1,313	22	Ryland Group
573	8	64	136	773	477	0.06	1.6	3,043	278	Safeco
637	19	31	137	804	464	0.98	18.6	589	55	Safety-Kleen
1,406	NA	—	—	1,406	260	0.90	14.3	14,874	87	Safeway
453	20	23	—	476	655	0.21	4.4	175	65	St Jude Medical
367	-34	—	—	367	731	1.90	3.2	339	-6	St Paul Bancorp
959	—	190	—	1,149	326	0.07	2.1	4,005	391	St Paul Cos
3,250	-7	140	—	3,391	97	0.11	4.2	8,946	303	Salomon

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Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
San Diego G&E/Thomas A Page	58	Niagara Falls NY	Purdue, BS '55/MBA '63	technical	13	10
Santa Fe Pacific/Robert D Krebs	49	Sacramento CA	Stanford, BA '64/Harvard, MBA '66	operations	25	4
Sara Lee/John H Bryan	54	West Point MS	Rhodes C, BA '58	administration	31	16
Scana/Lawrence M Gressette Jr	59	St Matthews SC	Clemson, BS '54/S Carolina, LLB '59	legal	8	1
SCEcorp/John E Bryson	47	New York NY	Stanford, BA '65/Yale, JD '69	legal	7	1
Schering-Plough/Robert P Luciano	57	New York NY	CUNY City Col, BBA '54/Michigan, JD '58	legal	13	9
Charles Schwab/Charles R Schwab*	54	Sacramento CA	Stanford, BA '59/MBA '61	finance	17	13
Scott Paper/Philip E Lippincott	55	Camden NJ	Dartmouth, BA '57/Michigan St, MBA '64	operations	32	9
EW Scripps/Lawrence A Leser	56	Cincinnati OH	Xavier, BS '57	finance	23	6
Seagate Technology/Alan F Shugart*	60	Los Angeles CA	Redlands, BS '53	technical	12	12
Sears, Roebuck/Edward A Brennan	57	Chicago IL	Marquette, BS '55	sales	35	5
Security Bancorp/Andrew R Brodhun	51	England	Michigan St, BA '65	banking	4	2
Security Pacific/Robert H Smith	56	Glendale CA	USC, BS '57/Van Norman U, LLB '66	banking	30	1
Sequa/Norman E Alexander	76	New York NY	Columbia, BA '34	legal	41	34
Service Corp Intl/Robert L Waltrip*	60	Austin TX	Houston, BBA '54	operations	29	29
Service Merchandise/Raymond Zimmerman*	58	Memphis TN		administration	31	18
SFFed Corp/Roger L Gordon	49	Neosho MO		banking	29	1
Shaw Industries/Robert E Shaw	59	Cartersville GA		sales	31	29
Shawmut National/Joel B Alvord	52	Manchester CT	Dartmouth, AB '60/MBA '61	banking	28	5
Sherwin-Williams/John G Breen	56	Cleveland OH	John Carroll, BS '56/Case Western Res, MBA '61	marketing	12	12
Sigma-Aldrich/Carl T Cori	54	St Louis MO	Wisconsin, BS '59/Washington, PhD '69	technical	21	8
Signet Banking/Robert M Freeman	50	Richmond VA	Virginia, BS '63	banking	20	2
Smith's Food & Drug/Jeffrey P Smith	41	Brigham City UT		operations	21	3
Snap-on Tools/Marion F Gregory	57	Denison TX		sales	36	3
Society/Robert W Gillespie	47	Cleveland OH	Ohio Wesleyan, BA '66/Case Western Res, MBA '68	banking	23	4
Society for Savings/Edward W Large†	61	Collingswood NJ	Marshall U, BA '53/Virginia, LLB '55	legal	19	‡
Sonat/Ronald L Kuehn Jr	56	Queens NY	Fordham, BA '57/LLB '64	legal	21	7
Sonoco Products/Charles W Coker	58	Hartsville SC	Princeton, BA '55/Harvard, MBA '57	administration	33	21
Sotheby's Holdings/Michael L Ainslie	48	Johnson City TN	Vanderbilt, BA '65/Harvard, MBA '68	administration	7	7
South Carolina Natl/James G Lindley	59	Greensboro NC	North Carolina, BS '53/NYU, MBA '60	banking	12	10
Southeast Banking/Douglas E Ebert	45	Washington DC	Williams, BA '68	banking	1	‡
Southern Co/Edward L Addison	61	Cottageville SC	South Carolina, BEE '50	technical	37	8
Southern Natl/L Glenn Orr Jr	51	Charlotte NC	Wofford, BA '62/South Carolina, MBA '63	banking	19	1
So New Eng Telecom/Walter H Monteith Jr	60	Framingham MA	Amherst, BA '52	sales	37	7
SouthTrust/Wallace D Malone Jr	54	Dothan AL	Alabama, BS '57/Pennsylvania, MS '59	banking	32	10
Southwest Gas/Kenny C Guinn	54	Garland AR	Cal St Fresno, BA '58/Utah, PhD '69	administration	4	3
Southwestern Bell/Edward E Whitacre Jr	49	Ennis TX	Texas Tech, BSIE '64	technical	28	1
Southwestern Pub Svc/Bill D Helton	52	Wheeler TX	Texas Tech, BSEE '64	technical	27	1
Spiegel/John J Shea	53	Newark NJ	La Salle, BS '59/Pittsburgh, MS '60	marketing	11	6
Springs Industries/Walter Y Elisha	58	Gary IN	Wabash, BA '54/Harvard, MBA '65	administration	11	10
Square D/Jerre L Stead	48	Maquoketa IA	U of Iowa, BS '65	operations	4	2
Standard Fedl Bank/Thomas R Ricketts	60	Detroit MI	Michigan, BBA '53/JD '56	legal	35	17
Stanley Works/Richard H Ayers	48	Newton MA	MIT, BS '65/MS '65	operations	19	4

*Company founder. †Acting CEO. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$720	8%	$373	—	$1,093	351	0.10%	$2.4	$1,772	$208	San Diego G&E
550	–40	4	$548	1,102	346	0.10	1.7	2,297	–101	Santa Fe Pacific
1,401	1	114	1,199	2,714	90	0.25	22.8	12,184	500	Sara Lee
418	—	18	—	435	693	0.02	0.3	1,133	182	Scana
506	NA	113	—	619	559	‡	§	7,199	786	SCEcorp
1,694	12	1,311	3,482	6,487	25	0.01	1.2	3,323	565	Schering-Plough
1,868	65	—	—	1,868	174	28.66	139.8	626	17	Charles Schwab
603	–20	—	232	835	451	0.05	1.4	5,356	148	Scott Paper
851	–3	362	—	1,213	311	0.06	0.9	1,297	48	EW Scripps
1,406	84	—	—	1,406	259	1.05	8.6	2,668	100	Seagate Technology
979	–39	1	—	980	398	0.03	4.4	55,972	902	Sears, Roebuck
479	11	—	—	479	653	0.15	0.4	320	30	Security Bancorp
673	–35	139	451	1,263	296	0.09	2.9	10,327	161	Security Pacific
1,522	9	—	149	1,671	208	38.49	182.1	2,211	33	Sequa
1,581	NA	160	—	1,741	195	2.79	34.0	563	64	Service Corp Intl
744	–5	1,447	—	2,191	133	5.21	34.0	3,435	61	Service Merchandise
186	—	2	—	187**	784	0.07	§	367	2	SFFed Corp
1,227	7	260	—	1,487	242	9.07	70.8	1,659	60	Shaw Industries
650	–35	1,493	—	2,143	145	0.23	1.0	2,741	–133	Shawmut National
1,078	10	68	—	1,146	327	0.58	12.2	2,267	123	Sherwin-Williams
1,003	25	1,094	—	2,097	153	0.25	4.6	529	71	Sigma-Aldrich
424	–12	18	—	443	687	0.22	0.9	1,431	41	Signet Banking
821	63	—	—	821	459	13.38	144.6	2,031	34	Smith's Food & Drug
534	–3	—	—	534	619	0.03	0.4	932	101	Snap-on Tools
767	21	190	—	956	409	0.05	2.6	1,719	155	Society
‡‡	NA	—	—	—	—	0.21	0.2	476	–52	Society for Savings
930	10	199	—	1,129	333	0.06	1.0	1,509	111	Sonat
829	5	10	375	1,213	310	1.28	20.5	1,669	50	Sonoco Products
959	NA	—	7,696	8,654	11	1.37	10.0	465	129	Sotheby's Holdings
501	–2	81	—	582	580	0.18	0.8	696	50	South Carolina Natl
450*	NA	469	—	919	419	0.11	0.2	1,617	–199	Southeast Banking
849	8	62	—	911	421	0.01	0.9	7,975	604	Southern Co
364	NA	21	—	385	719	0.30	0.7	358	23	Southern Natl
568	8	108	—	676	525	0.03	0.5	1,619	132	So New Eng Telecom
498	–18	46	—	545	609	1.22	7.9	868	70	SouthTrust
473	–13	—	—	473	661	0.36	1.2	863	37	Southwest Gas
1,374	—	774	—	2,148	142	0.02	2.6	9,113	1,101	Southwestern Bell
264	NA	5	—	269††	768	0.02	0.2	742	110	Southwestern Pub Svc
967	–3	247	—	1,214	309	0.04	0.3	1,993	62	Spiegel
470	–39	56	—	526	621	0.49	2.4	1,878	–7	Springs Industries
776	24	—	—	776	474	0.08	1.5	1,653	121	Square D
730	14	3	—	733	498	0.12	0.4	911	40	Standard Fedl Bank
782	–1	330	—	1,113	341	0.10	1.4	1,977	107	Stanley Works

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Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Star Banc/Oliver W Waddell	60	Covington KY	Duke, BA '54/Kentucky, JD '69	banking	34	8
State Street Boston/William S Edgerly	64	Lewiston ME	MIT, BS '49/Harvard, MBA '55	finance	16	16
Stone Container/Roger W Stone	56	Chicago IL	Pennsylvania, BS '57	marketing	34	12
Storage Technology/Ryal R Poppa	57	Wahpeton ND	Claremont Mens C, BBA '57	administration	6	6
Student Loan/Lawrence A Hough	47	Janesville WI	Stanford, BS '66/MIT, MS '72	finance	18	1
Sumitomo Bank Calif/Keizo Yoshida	55	Japan	Tokyo, LLB '58	legal	33	4
Summit Bancorp/Thomas D Sayles Jr	59	Newton Center MA	Dartmouth, BA '54/NYU, MBA '61	banking	21	18
Sun Co/Robert McClements Jr	62	Philadelphia PA	Drexel, BS '52	technical	26	6
Sun Microsystems/Scott G McNealy*	36	Columbus IN	Harvard, BA '76/Stanford, MBA '80	operations	9	7
Sundstrand/Harry C Stonecipher	55	Scott County TN	Tennessee Tech, BS '60	technical	4	2
SunTrust Banks/James B Williams	58	Sewanee TN	Emory, AB '55	banking	6	1
Sunwest Financial/Ike Kalangis	54	Santa Fe NM	Hardin-Simmons, BBA '60	banking	20	2
Super Food Services/Jack Twyman	57	Pittsburgh PA	Cincinnati, JBA '55	administration	21	18
Super Valu Stores/Michael W Wright	52	Minneapolis MN	Minnesota, BA '61/JD '63	legal	14	10
Sysco/John F Woodhouse	60	Wilmington DE	Wesleyan, BA '53/Harvard, MBA '55	finance	22	8
Talman Home Federal/Theodore H Roberts	62	Gillett AR	Northwestern St LA, BA '49/Oklahoma St, MA '50	banking	6	6
Tambrands/Martin F C Emmett	56	South Africa	Witwatersrand, BS '57/Queens U, MBA '62	banking	2	2
Tandem Computers/James G Treybig*	50	Clarendon TX	Rice, BS '63/Stanford, MBA '68	administration	16	16
Tandy/John V Roach	52	Stamford TX	Texas Christian, BA '61/MBA '65	operations	24	10
TCF Financial/William A Cooper	47	Detroit MI	Wayne State, BS '67	finance	6	6
TECO Energy/Timothy L Guzzle	54	Ottumwa IA	Oklahoma, BS '58/Texas Christian, PhD '65	technical	3	2
Tecumseh Products/Todd W Herrick	48	Tecumseh MI	Notre Dame, BA '67	administration	19	5
Tektronix/Jerome J Meyer	53	Caledonia MN	Minnesota, BA '60	operations	1	1
Tele-Communications/John C Malone	50	Milford CT	Yale, BS '63/Johns Hopkins, PhD '67	administration	18	18
Teledyne/William P Rutledge	49	Pittston PA	Lafayette, BS '63/George Washington, MS '67	operations	5	‡
Temple-Inland/Clifford J Grum	56	Davenport IA	Austin, BA '56/Pennsylvania, MBA '58	finance	23	7
Tenneco/James L Ketelsen	60	Davenport IA	Northwestern, BS '52	finance	32	13
Texaco/James W Kinnear	63	Pittsburgh PA	US Naval Acad, BS '50	sales	37	4
Texas Instruments/Jerry R Junkins	53	Fort Madison IA	Iowa St, BS '59/Southern Methodist, MS '68	operations	32	6
Texas Utilities/Jerry S Farrington	56	Burkburnett TX	U of North Texas, BBA '55/MBA '58	administration	34	4
Textron/Beverly F Dolan	63	Augusta GA	Georgia, BS '52	operations	37	6
Time Warner/Steven J Ross[1]	63	Brooklyn NY		finance	29	29
Times Mirror/Robert F Erburu	60	Ventura CA	USC, BA '52/Harvard, JD '55	legal	30	10
Timken/William R Timken Jr	52	Canton OH	Stanford, BA '60/Harvard, MBA '62	operations	29	16
TJX Cos/Bernard Cammarata	51	Brooklyn NY		sales	15	4
Torchmark/Ronald K Richey	64	Erie KS	Washburn, BA '49/JD '51	insurance	27	6
Tosco/Thomas D O'Malley	49	New York NY	Manhattan, BBA '63	finance	3	1
Toys 'R' Us/Charles Lazarus*	67	Washington DC		administration	35	35
Transamerica/Frank C Herringer	48	New York NY	Dartmouth, AB '64/MBA '65	administration	12	‡
Transco Energy/William J Bowen†	69	Sweetwater TX	US Military Acad, BS '45	technical	17	‡
Travelers/Edward H Budd	58	Zanesville OH	Tufts, BS '55	insurance	36	10
Tribune/Charles T Brumback	62	Toledo OH	Princeton, BA '50	finance	10	1
Trinity Industries/W Ray Wallace	68	Shreveport LA	Louisiana Tech, BS '44	technical	45	33

*Company founder. [1]Office jointly held with N J Nicholas Jr. †Acting CEO. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$513	8%	$8	$4	$525	622	0.07%	$0.4	$663	$65	Star Banc
953	15	1,551	4,013	6,518	24	0.70	11.8	1,320	117	State Street Boston
1,182	–14	177	—	1,359	273	2.74	27.8	5,756	95	Stone Container
1,208	NA	7	—	1,214	307	0.83	11.0	1,141	71	Storage Technology
612	NA	447	368	1,427	252	‡	§	3,619	301	Student Loan
306	56	14	—	320	753	0.13	0.3	500	45	Sumitomo Bank Calif
587	5	791	—	1,377	267	0.69	1.9	384	–13	Summit Bancorp
972	4	33	642	1,648	212	0.02	0.7	11,812	199	Sun Co
1,407	80	—	—	1,407	258	1.80	59.4	2,763	151	Sun Microsystems
929	69	111	—	1,039	371	0.28	3.4	1,600	114	Sundstrand
441	—	308	—	748	486	0.21	8.0	3,408	350	SunTrust Banks
250	—	3	—	253	772	0.12	0.2	328	–2	Sunwest Financial
740	16	172	—	912	420	1.73	2.9	1,792	17	Super Food Services
905	1	—	325	1,230	301	0.18	3.8	11,515	151	Super Valu Stores
1,127	4	—	373	1,500	237	0.37	13.1	7,863	145	Sysco
500	–17	43	—	543	612	4.98	2.6	534	13	Talman Home Federal
736	73	751	—	1,487	240	0.16	3.9	632	98	Tambrands
543	14	5	814	1,363	269	0.65	11.6	1,873	98	Tandem Computers
874	–10	102	—	976	402	0.09	2.5	4,648	263	Tandy
445	–25	—	—	445	685	2.62	2.6	471	–21	TCF Financial
525	3	13	—	538	616	‡	§	1,097	139	TECO Energy
200	–13	4	—	204	783	‡	§	1,318	14	Tecumseh Products
NA	NA	—	—	—	—	0.14	1.0	1,395	–70	Tektronix
454	12	15	—	469	667	0.62	35.9	3,511	–213	Tele-Communications
584	NA	—	—	584††	578	‡	§	3,446	69	Teledyne
797	–3	3	365	1,165	323	0.36	8.4	2,401	233	Temple-Inland
1,880	15	79	114	2,073	156	0.10	5.2	14,511	561	Tenneco
1,928	8	1,539	—	3,467	63	0.04	7.1	40,899	1,450	Texaco
599	–15	6	—	606	566	0.04	1.5	6,567	–39	Texas Instruments
658	32	90	—	748	487	‡	0.5	4,543	851	Texas Utilities
2,599	12	593	—	3,192	75	0.29	7.8	7,918	283	Textron
3,200E	–33	17,757	57,156	78,113	1	‡	§	11,517	–227	Time Warner
882	–23	383	—	1,265	295	0.23	8.9	3,621	181	Times Mirror
565	10	6	—	572	590	13.75	102.7	1,701	55	Timken
731	10	120	132	983**	396	0.29	3.6	2,446	74	TJX Cos
1,827	69	58	2,355	4,241	49	1.03	29.5	1,796	229	Torchmark
2,166	NA	4	—	2,171	137	3.77	27.0	2,158	123	Tosco
5,277	19	16	—	5,293**	32	0.02	1.9	5,510	326	Toys 'R' Us
1,109	NA	66	312	1,487††	241	0.05	1.2	6,703	266	Transamerica
250	NA	—	—	250††	774	0.17	1.8	3,081	41	Transco Energy
700	–26	42	—	742	490	0.10	2.3	11,514	–178	Travelers
861	NA	363	—	1,224	302	0.17	4.9	2,353	–64	Tribune
1,011	NA	—	—	1,011	382	3.43	15.0	1,297	31	Trinity Industries

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Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Trinova/Darryl F Allen	47	Detroit MI	Michigan St, BA '65/Michigan, MBA '66	finance	19	5
Trustmark/Frank R Day	53	Aberdeen MS	Mississippi, BA '53	banking	33	10
TRW/Joseph T Gorman	54	Rising Sun IN	Kent State U, BA '60/Yale, LLB '62	legal	23	2
Turner Broadcasting/Robert E Turner*	52	Cincinnati OH		sales	28	28
Turner Corp/Alfred T McNeill	54	Elizabeth NJ	Lehigh, BS '58	technical	33	2
TW Holdings/Jerome J Richardson	54	Spring Hope NC	Wofford, BA '59	administration	30	2
20th Century Inds/Louis W Foster*	78	Newberry MI	Stanford, BA '35	insurance	35	35
Tyco Laboratories/John F Fort	49	New York NY	Princeton, BS '63/MIT, MS '66	technical	26	8
Tyson Foods/Leland Tollett	54	Nashville AR	Arkansas, BSA '58/MSA '59	operations	32	‡
UAL/Stephen M Wolf	49	Oakland CA	San Francisco State U, BA '65	operations	3	3
UJB Financial/T Joseph Semrod	54	Oklahoma City OK	Oklahoma, BA '58/JD '63	banking	10	10
Union Bank/Taisuke Shimizu	55	Japan	Tokyo, BS '59	banking	6	1
Union Camp/Raymond E Cartledge	61	Pensacola FL	Alabama, BBA '52	sales	35	5
Union Carbide/Robert D Kennedy	58	Pittsburgh PA	Cornell, BME '55	operations	36	5
Union Electric/William E Cornelius	59	Salt Lake UT	Missouri, BS '53/Washington, MLA '83	finance	29	7
Union Pacific/Drew Lewis	59	Philadelphia PA	Haverford, BS '53/Harvard, MBA '55	finance	5	4
Union Planters/Benjamin W Rawlins Jr	53	Murfreesboro TN	Vanderbilt, BA '61/Georgia St, MBA '69	banking	17	7
Union Texas Petrol/A Clark Johnson	60	Philadelphia PA	Haverford, BA '52/Pennsylvania, MBA '54	marketing	23	7
Unisys/James A Unruh	50	Goodrich ND	Jamestown, BSBA '63/Denver, MBA '64	finance	9	1
UA Entertainment/Stewart D Blair	42	Scotland	U of Glasgow, MA '71	administration	4	4
United Missouri Bcsh/R Crosby Kemper	64	Kansas City MO		banking	41	21
US Bancorp/Roger L Breezley	53	Williston ND	North Dakota, BA '60	finance	14	4
US Healthcare/Leonard Abramson*	58	Philadelphia PA	Penn St, BA '54/Nova, MPA '78	technical	15	15
US Shoe/Bannus B Hudson	45	Fort Scott KS	Kansas, BS '68	marketing	6	1
US Surgical/Leon C Hirsch*	63	Bronx NY		technical	27	27
US Trust/H Marshall Schwarz	54	New York NY	Harvard, BA '58/MBA '61	banking	24	1
United Technologies/Robert F Daniell	57	Milton MA	Boston U, AS '54	operations	35	5
United Telecom/William T Esrey	51	Philadelphia PA	Denison, BA '61/Harvard, MBA '64	administration	11	6
Unitrin/Jerrold V Jerome	61	Seattle WA	Linfield, BS '52/Stanford, MBA '59	finance	29	1
Univar/James W Bernard	53	Brainerd MN	Oregon, BS '60	sales	31	5
Universal/Henry H Harrell	51	Richmond VA	Washington & Lee, BA '61	administration	17	3
Unocal/Richard J Stegemeier	63	Alton IL	Missouri, BS '50/Texas A&M, MS '51	technical	40	3
UNUM/James F Orr III	48	Minneapolis MN	Villanova, BS '65/Boston U, MBA '69	banking	5	4
Upjohn/Theodore Cooper	62	Trenton NJ	Georgetown, BS '49/St Louis, PhD '56	technical	11	4
US West/Richard D McCormick	50	Fort Dodge IA	Iowa St, BSEE '61	operations	6	‡
USAir Group/Edwin I Colodny	64	Burlington VT	Rochester, AB '48/Harvard, LLB '51	legal	34	16
USF&G/Norman P Blake Jr	49	New York NY	Purdue, BA '64/MA '66	finance	1	1
USG/Eugene B Connolly	59	New York NY	Hofstra, BS '54/MBA '64	marketing	33	1
USLife/Gordon E Crosby Jr	70	Remsen IA		marketing	32	25
UST Inc/Louis F Bantle	62	Bridgeport CT	Syracuse, BS '51	marketing	29	18
USX/Charles A Corry	59	Cincinnati OH	Cincinnati, BA '55/JD '59	administration	32	2
Valero Energy/William E Greehey	54	Fort Dodge IA	St Mary's U, BBA '60	finance	28	17
Valhi/Harold C Simmons	60	Alba TX	Texas, BA '51/MA '52	finance	8	4

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Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$490	–31%	$43	—	$533	620	0.10%	$0.6	$1,955	$46	Trinova
335	3	4	—	339	747	4.40	9.5	341	29	Trustmark
1,024	–3	75	—	1,099	347	0.06	1.3	8,169	208	TRW
677	0	64	—	741**	492	61.52	1,285.1	1,391	–16	Turner Broadcasting
422	11	—	—	422	700	0.50	0.3	3,258	–11	Turner Corp
1,083	56	43	—	1,126	334	3.72	15.9	3,682	–68	TW Holdings
1,404	86	—	—	1,404	262	9.20	94.5	800	99	20th Century Inds
1,200	0	4,005	—	5,205	33	1.81	41.5	2,633	130	Tyco Laboratories
1,273	NA	1,381	—	2,654††	96	1.52	47.4	3,826	126	Tyson Foods
1,150	0	2,376	$14,775	18,301	2	0.34	12.0	11,037	95	UAL
697	–16	442	—	1,139	330	0.41	2.3	1,305	–6	UJB Financial
373	NA	4	—	377	724	0.01	§	1,686	147	Union Bank
801	3	98	—	898	426	0.06	1.8	2,840	230	Union Camp
1,415	0	—	—	1,415	254	0.06	1.3	7,621	308	Union Carbide
555	6	77	—	632	552	0.02	0.5	2,023	294	Union Electric
1,910	23	782	—	2,692	91	0.07	5.8	6,964	618	Union Pacific
446	0	52	—	499	639	0.36	0.7	427	23	Union Planters
853	26	505	773	2,131	148	0.18	2.6	1,283	116	Union Texas Petrol
581	—	17	—	598	571	0.01	0.1	10,111	–437	Unisys
406	16	15	—	421	702	‡	§	1,426	–95	UA Entertainment
562	14	13	—	575	596	9.34	35.7	407	37	United Missouri Bcsh
595	23	236	—	831	455	0.08	1.6	1,920	183	US Bancorp
1,046	NA	145	—	1,191**	318	13.98	306.9	1,297	78	US Healthcare
600*	—	3	21	624	554	0.09	0.4	2,771	52	US Shoe
1,500	NA	5,571	—	7,071	20	5.77	170.3	514	46	US Surgical
484	NA	55	19	558	597	0.25	0.8	394	12	US Trust
1,368	7	226	833	2,427	116	0.07	4.1	21,442	751	United Technologies
1,143	1	354	638	2,134	146	0.04	2.4	8,345	309	United Telecom
302	NA	—	—	302	762	0.17	3.5	1,225	132	Unitrin
803	5	—	—	803	465	1.05	2.7	1,395	22	Univar
481	8	15	—	496	640	0.12	0.6	3,004	34	Universal
1,192	12	1,010	—	2,201	131	0.11	7.2	10,945	401	Unocal
1,026	6	8	1,262	2,296	125	0.14	2.8	2,170	185	UNUM
1,344	13	199	1,033	2,576	102	0.10	7.6	3,033	456	Upjohn
852	NA	1,965	689	3,505††	61	0.03	4.5	9,957	1,199	US West
625	10	1,485	—	2,110	150	0.38	3.3	6,559	–454	USAir Group
1,160*	NA	600	—	1,760	191	0.02	0.2	4,535	–569	USF&G
404	NA	83	—	487	646	0.51	0.5	1,915	–90	USG
1,083	13	744	2	1,829	178	0.87	5.2	1,236	69	USLife
2,248	6	13	—	2,260	126	1.00	48.4	751	223	UST Inc
1,593	18	—	—	1,593	218	0.03	2.7	19,326	818	USX
980	NA	1,135	1,948	4,063	52	0.69	7.4	1,169	95	Valero Energy
2,872	261	—	—	2,872	82	0.07	0.6	1,671	74	Valhi

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Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Valley Bancorp/Peter M Platten III	51	Green Bay WI	Wisconsin, BBA '62	banking	26	2
Valley Federal S&L/Scott A Braly†	37	Newport Beach CA	USC, BS '75	finance	2	1
Valley National/Richard J Lehmann	47	Portland OR	Washington, BA '66/MBA '68	banking	3	1
Varian Associates/J Tracy O'Rourke	56	Columbia SC	Auburn, BS '56	operations	1	1
Venture Stores/Julian Seeherman	61	Wilkes Barre PA	Syracuse, BA '51	sales	14	7
VF/Lawrence R Pugh	58	White Plains NY	Colby, BBA '56	marketing	11	9
Viacom/Frank J Biondi Jr	46	New York NY	Princeton, BA '66/Harvard, MBA '68	administration	4	4
Vons Cos/Roger E Stangeland	61	Chicago IL	Illinois, BS '51	sales	31	7
Vulcan Materials/Herbert A Sklenar	59	Omaha NE	Nebraska Omaha, BS '52/Harvard, MBA '54	finance	19	5
Waban/John F Levy	44	Newton MA	Trinity Col CT, BA '69/Harvard, MBA '73	journalism	18	2
Wal-Mart Stores/David D Glass	55	Mountainview MO	SW Missouri St, BS '59	finance	15	3
Walgreen/Charles R Walgreen III	55	Chicago IL	Michigan, BS '58	operations	39	20
Wang Laboratories/Richard W Miller	50	Buffalo NY	Case Western Res, BA '67/Harvard, MBA '70	administration	2	1
Warner-Lambert/Joseph D Williams	64	Washington PA	Nebraska Lincoln, BS '50	marketing	41	6
Washington Mutual/Kerry K Killinger	41	Des Moines IA	U of Iowa, BBA '70/MBA '71	finance	15	1
Washington Post/Donald E Graham	45	Baltimore MD	Harvard, BA '66	journalism	20	‡
Washington Water/Paul A Redmond	54	Lakeview OR	Gonzaga, BS '65	operations	26	7
Waste Management/Dean L Buntrock*	59	Columbia SD	St Olaf, BA '55	administration	35	23
Weis Markets/Sigfried Weis	75	Selinsgrove PA	Yale, BA '38	sales	53	31
Wells Fargo/Carl E Reichardt	59	Houston TX	USC, BA '56	banking	21	8
West One Bancorp/Daniel R Nelson	53	Spokane WA	Washington St, BBA '62	banking	7	5
Western Capital Inv/Robert J Malone	46	Los Angeles CA	Loyola, BA '66/USC, MBA '69	banking	1	1
Westinghouse/Paul E Lego	61	Sandy Ridge PA	Pittsburgh, BSEE '56/MSEE '58	technical	35	1
Westvaco/John A Luke	65	Tyrone PA	Yale, AB '49	operations	42	3
Wetterau/Ted C Wetterau	63	St Louis MO	Westminster, BA '52	marketing	39	21
Weyerhaeuser/George H Weyerhaeuser	64	Seattle WA	Yale, BS '49	operations	42	25
Wheeling Pittsburgh/William J Scharffenberger†	70	New York NY	Columbia, BS '42	finance	4	4
Whirlpool/David R Whitwam	49	Stanley WI	Wisconsin, BS '67	marketing	23	4
Whitman/James W Cozad	64	Huntington IN	Indiana, BS '50	finance	1	1
Whitney Holding/William L Marks	48	Florence AL	Wake Forest, BA '66	banking	1	1
Whittaker/Joseph F Alibrandi	62	Boston MA	MIT, BS '52	operations	21	17
Willamette Inds/William Swindells	60	Oakland CA	Stanford, BS '53	operations	38	9
Williams Cos/Joseph H Williams	57	Tulsa OK	Yale, BA '56	operations	32	12
Wilmington Trust/Bernard J Taylor II	65	Philadelphia PA	Pennsylvania, BS '49	banking	12	12
Winn-Dixie Stores/A Dano Davis	45	New Rochelle NY		sales	23	9
Wisconsin Energy/Richard A Abdoo	47	Port Huron MI	Dayton, BSEE '65/U of Detroit, MA '69	technical	16	‡
Witco/William R Toller	60	Fort Smith AR	Arkansas, BA '56	finance	7	1
Woolworth/Harold E Sells	62	Ozark AR		sales	46	4
Wm Wrigley Jr/William Wrigley	58	Chicago IL	Yale, BA '54	marketing	35	30
Xerox/Paul A Allaire	52	Worcester MA	Worcester Poly, BSEE '60/Carnegie-Mellon, MSIA '66	technical	25	1
Yellow Freight Sys/George E Powell III	42	Kansas City MO	Indiana, BS '70	operations	20	1
Zenith Electronics/Jerry K Pearlman	52	Des Moines IA	Princeton, AB '60/Harvard, MBA '62	finance	20	8
Zions Bancorporation/Harris H Simmons	36	Salt Lake City UT	Utah, BA '77/Harvard, MBA '80	banking	10	‡

*Company founder. †Resigned 12/4/90. †Acting CEO. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		Company
Salary + bonus ($000)	% change	other ($000)	stock gains ($000)	total ($000)	among 800 execs	%	mkt val ($mil)	sales ($mil)	profits ($mil)	
$379	8%	$19	$109	$507	631	0.65%	$1.9	$347	$29	Valley Bancorp
261	NA	—	—	261	771	‡	§	309	–43	Valley Federal S&L
504	—	40	—	544	611	0.23	1.0	1,142	8	Valley National
782†	NA	349	—	1,131	332	0.10	0.9	1,265	–4	Varian Associates
708	NA	104	—	812	462	0.09	0.3	1,421	35	Venture Stores
890	–18	—	—	890	429	0.05	0.9	2,613	81	VF
1,459	5	—	—	1,459	246	‡	§	1,600	–90	Viacom
884	19	—	—	884	434	2.93	35.9	5,334	50	Vons Cos
726	2	396	—	1,122	337	0.26	3.7	1,105	120	Vulcan Materials
609	0	402	—	1,011**	381	0.62	3.1	2,410	18	Waban
630	5	38	1,761	2,428**	115	0.14	66.4	32,742	1,291	Wal-Mart Stores
913	6	113	—	1,027	374	0.63	24.9	6,201	178	Walgreen
1,000*	NA	—	—	1,000	386	‡	§	2,369	–665	Wang Laboratories
1,585	5	665	6,568	8,818	10	0.07	6.9	4,687	485	Warner-Lambert
398	–17	13	110	520	625	1.00	3.3	727	1	Washington Mutual
325	NA	431	—	756††	483	12.71	331.1	1,439	175	Washington Post
277	4	295	—	572	589	0.06	0.4	554	88	Washington Water
1,582	17	2,777	8,096	12,455	5	0.59	113.8	6,034	709	Waste Management
440	5	8	—	448	682	12.68	183.4	1,272	87	Weis Markets
1,468	–5	100	—	1,569	224	0.26	11.4	5,843	712	Wells Fargo
486	30	—	—	486	648	0.02	0.1	465	43	West One Bancorp
473†	26	146	—	619	557	0.11	§	285	–76	Western Capital Inv
1,681	NA	519	—	2,200	132	0.01	1.0	12,915	268	Westinghouse
983	4	44	—	1,028	373	0.35	7.1	2,399	158	Westvaco
896	5	32	—	927	NA	6.00	37.3	5,588	50	Wetterau
1,105	4	7	—	1,112	342	1.31	66.9	9,024	394	Weyerhaeuser
1,550	NA	—	—	1,550	228	‡	§	1,091	92	Wheeling Pittsburgh
996	–3	27	—	1,023	377	0.03	0.7	6,623	72	Whirlpool
975	50	2,231	—	3,206	74	0.22	3.1	2,305	–31	Whitman
567	NA	—	—	567	591	‡	§	236	–17	Whitney Holding
785	NA	174	—	960	406	1.20	1.4	189	87	Whittaker
554	7	13	—	567	592	6.43	78.0	1,905	130	Willamette Inds
1,026	17	87	—	1,113	339	0.33	4.5	1,822	77	Williams Cos
710	0	11	300	1,022	379	0.42	3.4	428	67	Wilmington Trust
601	14	89	—	689	518	2.38	67.3	9,963	159	Winn-Dixie Stores
333	NA	8	—	341††	743	‡	0.1	1,443	187	Wisconsin Energy
464	NA	—	—	464	673	0.01	0.1	1,631	68	Witco
1,265	–8	780	2,437	4,482	41	0.10	4.3	9,789	317	Woolworth
731	7	363	—	1,095	349	17.63	447.0	1,111	117	Wm Wrigley Jr
1,187	NA	309	—	1,496	239	0.02	1.0	17,973	242	Xerox
534	NA	14	—	548	603	1.20	10.0	2,302	65	Yellow Freight Sys
450	–3	17	—	467	669	0.19	0.4	1,410	–63	Zenith Electronics
201	NA	3	—	205††	782	0.32	0.8	344	27	Zions Bancorporation

[1]Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 29, 1991. *Annualized salary. †Paid to date. ‡Less than 0.01%. §Less than $100,000. **Prior year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

BY ERIC S. HARDY

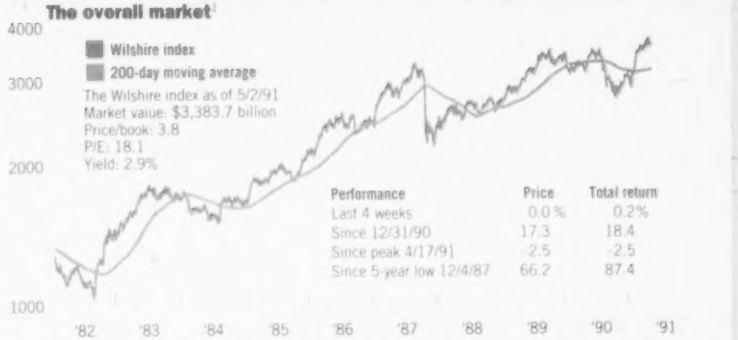
The consensus among securities analysts, ever the optimists, is that all of the country's ten largest banks will be profitable this year, and even more so in 1992. The Institutional Brokers Estimate System reports that Bank of New York, which has a consensus earnings forecast of $2.22 a share in 1991 and $4 next year, is expected to lead the big banks in profit growth, with an 80% gain.

Nevertheless, Don Kauth, a banking analyst at First Albany Corp., thinks the expected recovery in the banking sector won't be universal. "Banks that failed to maintain prudent lending and investing policies in the 1980s and have inadequate capital probably won't participate in the industry's recovery," says Kauth, pointing out that some banks, especially in New England, still have poor earnings prospects.

In the two weeks ended May 2 the best-performing stock with a market capitalization over $500 million was Rhode Island-based Fleet/Norstar, up 28%. It is going to acquire much of the busted Bank of New England. Two midwestern banks—Michigan's First of America and Wisconsin-based Marshall & Ilsley—also had big gains.

In the past four months the price/earnings multiple of the Wilshire index climbed from 14 to 18. If economic recovery does not assert itself soon, expect a correction.

The overall market[1]



The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Fleet/Norstar Financial	24¼	28%	NM	7,398	2.7
Adolph Coors	22½	17	21	1,956	1.5
FMC	44⅞	15	10	763	1.5
First of America Bank	28⅞	14	9	950	1.6
Lotus Development	33¼	13	62	12,506	1.4

The worst performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
AST Research	21⅞	-22%	11	11,655	1.3
Quantum	20½	-21	26	17,258	1.4
20th Century Industries	39	-21	10	1,205	1.4
Apple Computer	49	-20	12	24,732	1.0
Compaq Computer	49¾	-19	10	18,937	1.8

Closeup on the market

Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,636.4	-2.1%
Wilshire index 6,000 stocks, equal weighted	24.3	0.4
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,938.6	-2.0
S&P 500 Capitalization weighted cross section, major stocks	380.5	-2.0
NYSE Capitalization weighted, all listed common stocks	208.3	-1.9
Amex Capitalization weighted total return: stocks, warrants	363.5	-2.6
Nasdaq Capitalization weighted, all issues except warrants	491.1	-3.1
Amex international market index Capitalization weighted, 50 largest ADRs	319.5	-1.4
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	862.20	-2.1%
Institutional[5] Approximately 200 stocks with high institutional ownership	124.10	-1.5
Individual[5] Approximately 200 stocks with low institutional ownership	103.64	-0.7
Russell 2000 index 2000 small market value stocks, capitalization weighted	173.64	-2.2
Gold[6] (composite quote of 6 major dealers)	$355.50	-0.6
Yen[6] (per $U.S.)	138.10	0.3
Commodity index[6] (CRB futures index, 1967=100)	216.12	-0.9
Oil[6] (W Texas Intermediate)	$21.15	0.2
T bills[6] (90 days)	5.43%	-27 basis points[7]
Broker loan rate[6]	7.50%	Unchanged

Note: All data for periods ending 5/2/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since the index was created. Stocks listed above have market capitalization of $500 million or more. [1] Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2] Average daily volume over recent 2-week period. [3] Average daily volume over the last 2 weeks, divided by the average daily volume during the preceding 3 months. [4] Morgan Stanley Capital International Perspective. [5] For period ending 5/3/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6] Knight-Ridder Financial Information. [7] A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

NEW ISSUES REVIEW

BY ROBERT BALANCIA

The biggest new issues[1]

Company/business	Exchange	Offer date	Offer price	Recent price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
MBNA/bank holding	n	1/22/91	22½	26¾	689	Goldman Sachs	19%	104
Destec Energy/cogeneration plants	n	3/14/91	20	24⅞	240	Goldman Sachs	24	124
Amsco International/health care equipment	n	3/26/91	14	16⅜	82	Alex Brown & Sons	17	117
Atmel/integrated circuits	o	3/19/91	13	14½	59	Alex Brown & Sons	12	109
TakeCare/owns HMOs	o	3/19/91	19	21¼	48	First Boston	12	111
Sonic/fast food restaurants	o	2/28/91	12½	15¼	46	First Boston	22	119
Health Management Associates/hospital mgmt	o	2/5/91	16	17½	41	Goldman Sachs	9	102
Medical Marketing Grp/medical data services	o	3/26/91	12½	20¼	40	Merrill Lynch	66	166
Community Health Systems/medical clinics	o	3/7/91	16	17½	34	JC Bradford	9	150
CareNetwork/health care services	o	3/26/91	12	15	34	Dillon Read	25	125

Performance update

The new-issues market is heating up. The last time the new-issues market was so frothy was in 1987. Within months, the stock market crashed.

Duracell shares shot up 5¾ points the day after the Kohlberg Kravis Roberts & Co. buyout team took this former Kraft subsidiary public at $15, raising $450 million. In the first quarter the dollar value of initial public offerings climbed more than 20%, to $1.5 billion, not counting issues priced below $2.50 or raising less than $5 million. Hottest are health care issues, taking 15% of the total capital raised.

Also pumping life into today's new-issues market are former leveraged buyouts. Along with Duracell are retailers Caldor and Filene's Basement. New shares of AnnTaylor, another retailer, and Cherokee Group, a shoe and clothing manufacturer, are waiting in the wings.

The biggest new issue of the first quarter was MBNA, with a $689 million offering. Based in Delaware, this company's primary business is marketing, issuing and servicing premium credit cards. The second-largest deal, at $240 million, was Destec Energy, one of the largest nonutility producers of electric power. It was formerly a wholly owned subsidiary of Dow Chemical, which retains approximately 75%.

The best new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Alta Health Strategies/owns HMOs	9½	14	Alex Brown & Sons	68%	147
Medical Marketing Grp/medical data svcs	12½	40	Merrill Lynch	66	166
Advanced Photonix/photodetection equip	6	6	DH Blair	54	151
Cygnus Therapeutic Sys/pharmaceuticals	9	27	Robertson Stephens	47	135
Symix Sys/financial software	15	15	William Blair	42	138

The worst new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Simtek/semiconductors	6	12	Rosenkrantz Lyons	-4%	96
Pac Rim Hldgs/video distribution	7¼	20	Salomon Brothers	-3	97
Citation Insurance Grp/insurance	9½	17	Kidder Peabody	0	0
Aphton/lab research	7	7	Smetek Van Horn	4	103
Health Mgmt Assoc/hospital mgmt	16	41	Goldman Sachs	9	109

The most active investment bankers

Underwriter	Total offerings	Total raised ($mil)
Goldman Sachs	7	$1,290
Alex Brown & Sons	18	566
First Boston	5	347
Smith Barney	8	259
PaineWebber	8	216

Industries going public

Industry	Total offerings	Total raised ($mil)
Banks	3	$704
Oil & gas	9	455
Electric & gas	9	445
Electronics	11	302
Insurance	5	263

Note: Initial public offerings of common equities with offer date of 1/1/91 to 3/31/91, offering price of $2.50 or more and offering value of $5 million or more. Closed-end funds, limited partnerships, and ADRs (American Depositary Receipts) of corporations already traded in foreign countries are excluded, as are REITs and spinoffs. [1]Last quarter. [2]The ending value of $100 invested in the stock, divided by the ending value of $1 invested in the market. [3]Latest 12 months. Source: Securities Data Co.

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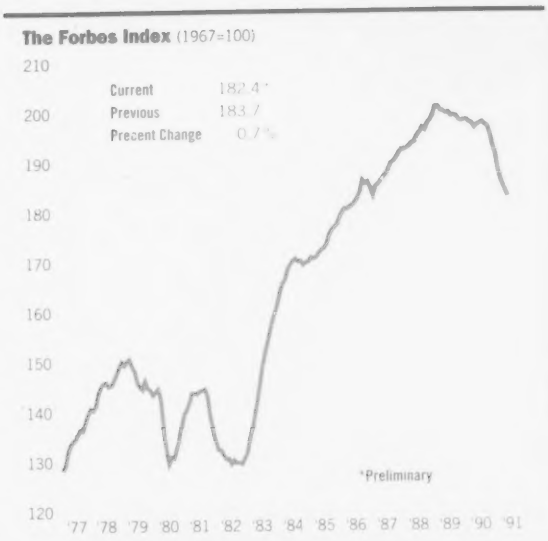
THE FORBES INDEX

BY TIMOTHY DODMAN



After declining for six straight months, industrial production rose 0.1% in April. The emerging recovery in home building continued in April, as housing starts registered a 34% gain over March. This was the biggest monthly increase in building activity in more than two years. There was also encouraging news on the labor front as new claims for unemployment fell 7% in April. Although retail sales fell 0.1% from March to April, revised data show that retail sales had monthly increases of 2.2% in February and 0.4% in March.

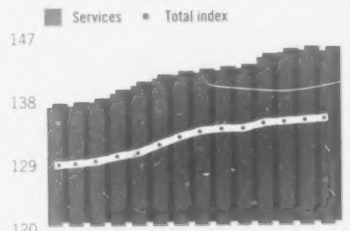
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-15.4%
Index of leading indicators Mar vs Feb	Dept of Commerce	0.5%
Trade balance 12 months ended Mar 1991	Dept of Commerce	-$91 bil
All-commodity producer price index Apr vs Mar[2]	Dept of Labor	0.0%
GNP 1st quarter vs. 4th—annualized growth	Dept of Commerce	-2.8%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	3.0%

[1] U.S.-based manufacturers, excludes imports, as of 5/10/91. [2] Wholesale goods. [3] March 1991.

Index components

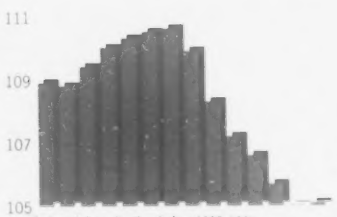
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

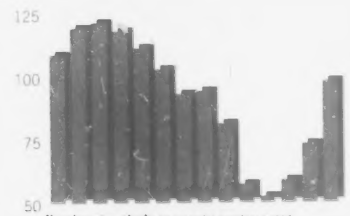


Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

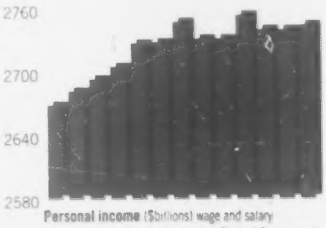
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



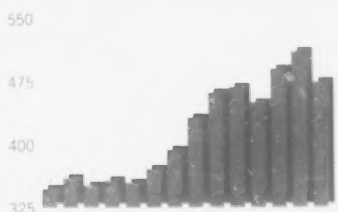
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions) seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

M A M J J A S O N D J F M A M A M J J A S O N D J F M A M A M J J A S O N D J F M A

Prices of big-league sports teams are escalating. Time to get out?

Are the insiders getting itchy?

By Eric Schmuckler

Red McCombs' San Antonio Spurs take on Paramount Communications' New York Knicks **Prices for pro sports teams have risen so much that many owners are testing the waters.**

Up for grabs

Team/sport	Principal owner(s)	Standings last 3 years*	Est value ($mil)
Denver Nuggets/basketball	Comsat Video Enterprises, Peter Bynoe	7-4-3	$65-75
Detroit Tigers/baseball	Tom Monaghan	3-7-2	100
Houston Astros/baseball	John McMullen	4-3-5	80-85
Houston Rockets/basketball	Charlie Thomas	3-5-2	90
Indianapolis Pacers/basketball	Herbert and Melvin Simon	5-4-6	65-85
Kansas City Royals/baseball	Ewing Kauffman	6-2-3	80
NJ Nets/basketball	Alan Aufzien, 5 others	5-6-5	70-75
NY Islanders/hockey	John Pickett Jr	6-4-6	75-80
Pittsburgh Penguins/hockey	Edward J DeBartolo Corp	1-5-2	65-85
Sacramento Kings/basketball	Joe Benvenuti, Gregg Lukenbill	7-7-6	65-75
San Antonio Spurs/basketball	Red McCombs	1-1-5	75-90
Washington Bullets/basketball	Abe Pollin	4-4-4	60-65

*Teams' rankings in their division, last season first

The above are professional sports teams that industry insiders say are for sale. Apart from the Astros and the Islanders, the teams deny it, but in each case knowledgeable sports sources say a deal can be struck.

DO YOU ENJOY losing money? Paying multimillion-dollar salaries to ill-mannered prima donnas? Begging for handouts from hard-pressed local governments?

If so, you may have what it takes to own a major league sports franchise. And if you're on the prowl, your timing couldn't be better. At least a dozen sports teams may be on the block now *(see table)*, although the owners of only two of them—baseball's Houston Astros and hockey's New York Islanders—have officially hung out "For Sale" signs.

Owners have a variety of reasons to consider selling, liquidity not the least of them. Scuttlebutt in the National Hockey League has it that developer Edward DeBartolo is hurting on his loan to cash-strapped retailer Robert Campeau and wants to raise money by selling his Pittsburgh Penguins. Another theory is that DeBartolo is finally going to comply with National Football League rules prohibiting cross-ownership so he can hold on to his San Francisco 49ers. Rumored price for the Penguins: $65 million to $85 million, depending on what goes into the package.

Or take the National Basketball Association's Denver Nuggets. One of the team's owners, Bertram Lee, is apparently so low on money he was recently evicted from his apartment; his co-owners need to raise more capital. One of those co-owners, with about 10%, is Drexel Burnham Lambert, struggling to emerge from bankruptcy and hungry for cash.

Even as some owners are trying to get out of the game, additional merchandise is appearing on the market. Baseball's National League will soon award two new franchises for $95 million apiece. Not coincidentally, that's just about the price Houston Astros owner John McMullen is asking for his team.

The National Hockey League is granting new franchises to Ottawa and Tampa Bay for $50 million each—a big increase over the $30 million or so price of the previous two hockey franchises to change hands, Hartford and Minnesota. When John Pickett Jr. put his once great New York Islanders on the block in February, he said he was looking for more than the expansion

fee, with an asking price said to be up to $100 million.

In the National Basketball Association, too, prices are hopping. The NBA severely underpriced the four new franchises it granted in 1988 and 1989 for just $32.5 million apiece—the Portland Trail Blazers sold for a reported $75 million in 1988 and even the lowly Denver Nuggets fetched some $54 million in 1990.

Now Charlie Thomas, an automobile dealer who bought the Houston Rockets for $10 million in 1982, says he wouldn't turn down the right offer—which would be somewhere north of $100 million. Rumors are also swirling around Red McCombs' San Antonio Spurs, said to be for sale for about the same price. And Donald Carter, owner of the poorly performing Dallas Mavericks, recently said that if he can't turn the team around over the next season, the town deserves another owner.

Interestingly, no NFL teams appear to be for sale at the moment, perhaps because owners are flush from their new television deal. The NFL is also talking expansion, with franchise fees of perhaps $150 million apiece for two new teams.

How high can professional sports franchise prices go? Jack Veatch, who's building a sports brokerage business for Salomon Brothers, thinks that owners will have to consider relaxing current league restrictions on public, foreign and corporate ownership, and on how much debt a team can carry.

This issue is coming to a head in the NFL. In mid-May former New England Patriots owner Billy Sullivan filed an antitrust suit against the league, complaining it wouldn't let him take his team public. If Sullivan wins, it could force the National Football League to allow corporate and public ownership. That would open the gates to more money flowing into the league's franchises, further inflating their values.

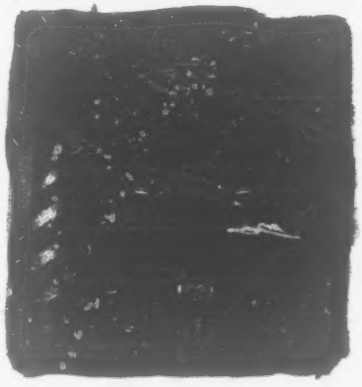
Still, the laws of supply and demand have not been repealed—even when it comes to professional sports teams. With all this supply coming to market and with overall business conditions none too healthy, there is going to be a top somewhere. It may be getting close. ■

From Texas, here's the latest on the legal profession: Plaintiff lawyers secretly agree beforehand to split big judgments with defense lawyers.

The widow Martinez

By William P. Barrett

EVER HEAR OF plaintiff and defense lawyers who secretly agree before a trial to share the proceeds in a big civil case? Well, why not? It's Texas, a state well known for the bizarre customs of its judicial system.



This case involves the widow of a Mexican shot dead in 1986 by robbers while working as a clerk at a Circle K convenience store in Brownsville, at Texas' southern tip. The widow, Laura Martinez, received workers' compensation death benefits but also sued Phoenix-based Circle K Corp. for "gross negligence," claiming the store should have been made safer for its employees.

The store's primary insurance carrier, Houston General Insurance Co., was on the hook for the first $100,000 of liability. Houston General hired a local lawyer to defend the case. The litigation dragged on for several years, partly because of a complicated dispute between Circle K and Guaranty National Cos., which was responsible for the next $5 million of any liability. Despite warnings from Circle K, Guaranty National declined to assume responsibility. The insurer said it was unsure its policy, issued to the store's previous owner, covered such claims against Circle K—even though the carrier had collected the premiums.

Martinez and her lawyer, M. Mario Garcia, worried that a looming Circle K bankruptcy would make any judgment uncollectible. Circle K, meanwhile, fretted about another one of those outrageously huge Texas verdicts—grieving widows with little insurance coverage, especially along the impoverished Rio Grande, make great witnesses.

So Circle K's regular Texas law firm, Houston's Hirsch, Glover, Robinson & Sheiness, started wheeling and dealing. First, primary insurer Houston General paid its $100,000 to Martinez and got out of the case. Then Martinez agreed to restrict her lawsuit to whatever she could get from Guaranty National.

Circle K, still feuding with Guaranty National, agreed to give Martinez whatever it got from suing Guaranty National for not covering her claim. Martinez in turn promised to give Circle K a cut of any recovery from Guaranty National. In a side agreement Hirsch, Glover agreed to take its fee from this cut. The whole thing got cozier and cozier.

Regardless of outcome, Circle K would pay nothing. In essence, Hirsch, Glover—normally a bill-by-the-hour defense firm—was now handling the matter on a contingency-fee basis. The firm, which had billed Circle K only about $100,000 on the

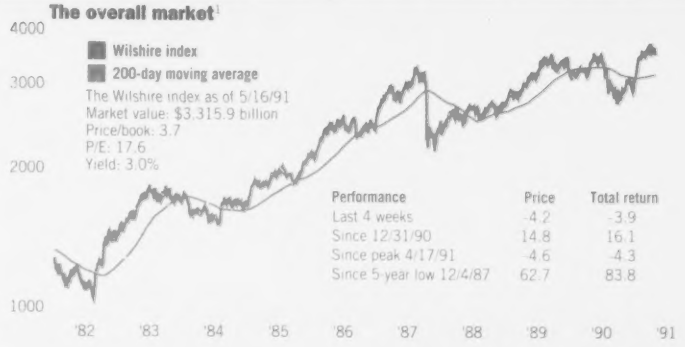
BY ERIC S. HARDY

After the Dow industrials briefly crossed over the 3000 mark, Wall Street caught a bad case of the jitters. Alison P. Bisno, director of research of Little Rock, Ark.-based investment banker Stephens Inc., points out that in its current state, the market is highly susceptible to negative earnings surprises.

A classic case is Compaq Computer. Lower-priced manufacturers of personal computers like Dell Computer, AST Research and Northgate Computer Systems are gaining ground at Compaq's expense. Compaq recently announced that it expected second-quarter revenues would decline by 15%, while profits would be off 80%. Wall Street stampeded to the exit. This former institutional favorite lost 13¼ points and $1.2 billion in market capitalization for the two weeks ending May 16.

Even after losing 4% of its value in the four weeks ending May 16, the overall market is far from cheap. The 6,000 stocks in the Wilshire index are now selling at 17.6 times latest 12 month earnings and 3.7 times book value. In contrast, prior to the crash in October 1987, the price-to-book ratio on the Wilshire index was 2.6. And the dividend yield on the Wilshire index is only 3% today. In October 1987 it was 3.3%, and in mid-1982, just before the 1980s bull market got under way, the yield was 5.9%.

The overall market[1]



The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
International Game Tech	48⅝	26%	30	1,987	2.5
Harley-Davidson	35½	19	21	1,368	1.4
Nordstrom	43⅛	15	31	6,900	1.5
AmeriTrust	16⅝	12	NM	2,224	1.7
Medical Care International	52¼	12	36	2,648	0.8

The worst performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Compaq Computer	35¼	-19%	7	10,937	1.0
Intelligent Electronics	21⅛	-12	9	7,214	1.9
SynOptics Communications	30¼	-3	19	4,375	1.0
Conner Peripherals	19¼	-12	7	9,489	1.1
Blockbuster Entertainment	9⅛	-4	21	22,374	1.6

Closeup on the market

Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,559.0	-2.1%
Wilshire index 6,000 stocks, equal weighted	24.2	-0.3
Dow Jones industrials 30 stocks, divisor adjusted price average	2,894.0	-1.5
S&P 500 Capitalization weighted cross section, major stocks	372.2	-2.2
NYSE Capitalization weighted, all listed common stocks	204.0	-2.0
Amex Capitalization weighted total return, stocks, warrants	358.3	1.5
Nasdaq Capitalization weighted, all issues except warrants	481.8	-1.9
Amex international market index Capitalization weighted, 50 largest ADRs	316.5	-0.9

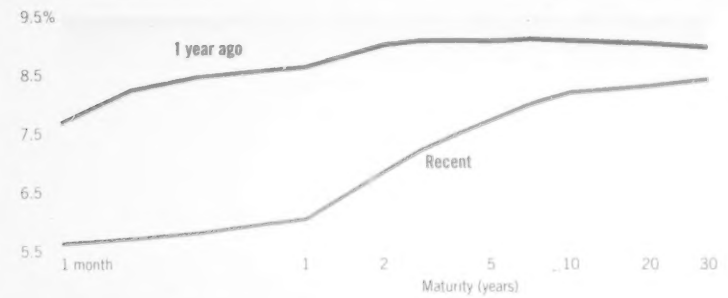
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	845.90	-0.8%
Institutional[5] Approximately 200 stocks with high institutional ownership	119.93	-3.4
Individual[5] Approximately 200 stocks with low institutional ownership	102.99	-0.6
Russell 2000 index 2,000 small market value stocks, capitalization weighted	170.72	-1.7
Gold[6] (composite quote of 6 major dealers)	$356.10	0.2
Yen[6] (per $U.S.)	137.55	-0.4
Commodity index[6] (CRB futures, 1967=100)	215.11	-0.5
Oil[6] (W. Texas intermediate)	$20.90	-1.2
T bills[7] (90 days)	5.39%	-4 basis points[8]
Broker loan rate[9]	7.50%	Unchanged

Note: All data for periods ending 5/16/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since the index was created. Stocks listed above have market capitalization of $500 million or more. [1] Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2] Average daily volume over recent 2-week period. [3] Average daily volume over the last 2 weeks, divided by the average daily volume during the preceding 3 months. [4] Morgan Stanley Capital International Perspective. [5] For period ending 5/17/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6] Knight Ridder Financial Information. [7] A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

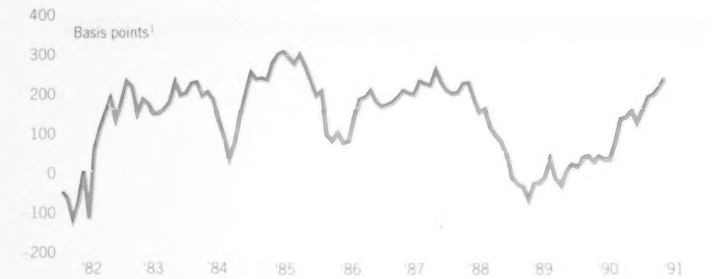
FIXED INCOME REVIEW

BY ERIC S. HARDY

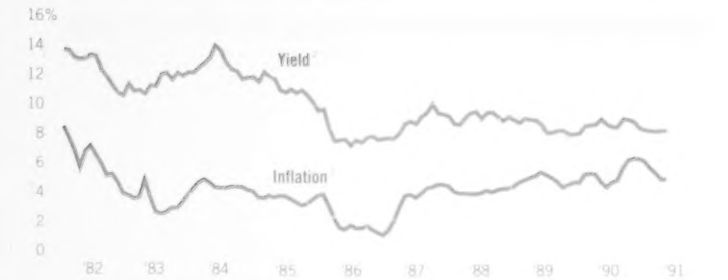
Yield curve



30-year rate minus 1-year rate



Yield vs. inflation



Spread over Treasurys

Security	Basis points[1]
AA corporates	69
AAA industrials	56
Ginnie Maes	87
Junk corporates[4]	772
Municipals	-120

Total returns

Security	1 year[5]	3 years[6]
AAA corporates	14.8%	10.7%
Ginnie Maes[7]	16.1	11.6
Junk corporates[4]	18.2	23.8
Municipals	11.5	9.2
Treasury bonds	14.7	10.2

The yield curve *(see top graph, left)* should flatten significantly later this year as short-term rates hold steady and longer rates decline. So says Skip Shaw, head of the government bond department at Bear, Stearns. He predicts that the yield on 30-year Treasurys will fall from 8.35% now to between 7.50% and 7.75% later this year. For the next 18 months Shaw expects low inflation but little or no reduction in 3- and 6-month Treasury rates: "Short-term rates respond favorably to Fed easing, but that cycle is about over," he says.

Yields on short-term instruments such as bankers' acceptances, 3- and 6-month CDs, commercial paper and repurchase agreements have recently been declining, but it is now possible to increase credit quality with little or no yield sacrifice. How? By purchasing money market funds that invest exclusively in direct U.S. government obligations. Besides being free of credit risk, these funds are generally exempt from state and local income taxes. One caveat: Fund names can be misleading. The SBSF Money Market Fund consists of 100% U.S. Treasurys, but the Prime Value U.S. Government Fund has some riskier (and not tax-advantaged) repurchase agreements in its portfolio.

Over the 12 months through April the best-performing fixed-income investments were junk bonds. First Boston's index of these bonds had a total return of 18.2% for the period. Moreover, junk bonds have outperformed other debt instruments over the past three years despite the junk crash of 1989 *(see table)*. But note that long Treasury bonds returned a more-than-respectable 14.7% for the 12 months through April. About half this gain came from price appreciation from the decline in rates.

Investors are more enamored than ever of one-state municipal bond funds, which are exempt from that one state's income taxes as well as from federal taxes. These portfolios grew by a net $2.9 billion during the first quarter of 1991, according to the Washington, D.C.-based Investment Company Institute.

Note: Except where footnoted, all information provided by Berkeley, Calif.-based Barra, a financial consulting firm. [1] A basis point is equal to one hundredth of a percentage point. [2] Yield on ten-year Treasurys. [3] The trailing 12-month increase in the Consumer Price Index, through 4/30/91. [4] Source: First Boston. [5] Source: Shearson Lehman Brothers. [6] Data through 4/30/91. [7] Three-year total return, annualized.

Why the stock market isn't as high as it looks

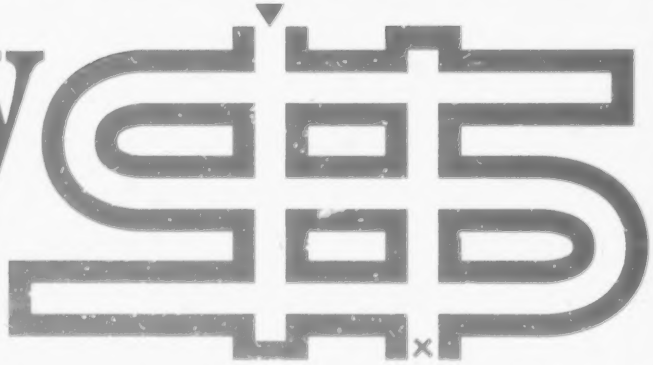
How Maybelline is winning the hearts of America's black women

Thomas Sowell: How colleges milk families and the government

June 24, 1991 Four Dollars

Forbes

Annual Money Guide



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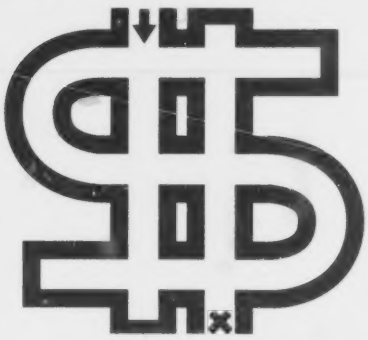

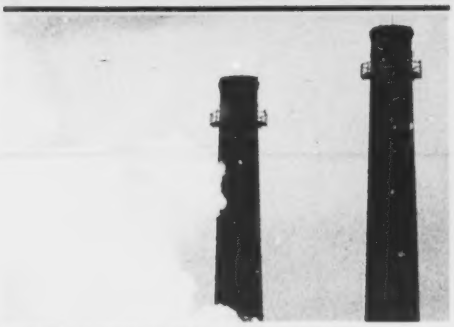

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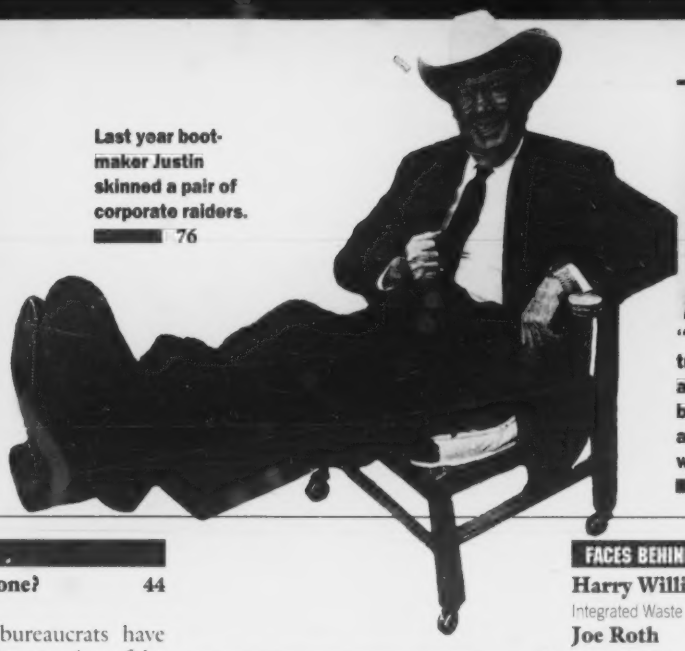

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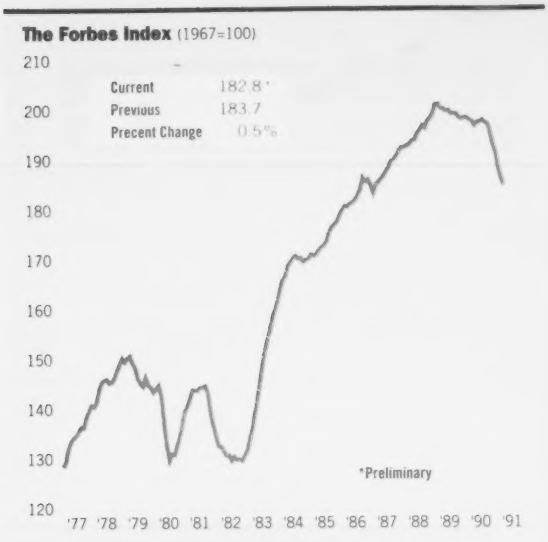
THE FORBES INDEX

BY TIMOTHY DODMAN



After six monthly declines (August through January), the government's index of leading economic indicators rose for the third month in a row in April. This index tracks 11 components such as building permits and stock prices. New orders for durable goods rose 3%, the first gain in four months. Wages and salaries rose a modest 0.2% in April. True, personal spending fell 0.1%. But given the normal lags between economic recovery and adding to payrolls, the unemployment and spending pictures should brighten during the next few months.

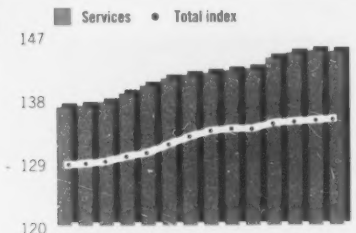
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-14.3%
Index of leading indicators Apr vs Mar	Dept of Commerce	0.6%
Trade balance 12 months ended Mar 1991	Dept of Commerce	-$91 bil
All-commodity producer price index Mar vs Feb[2]	Dept of Labor	0.0%
GNP 1st quarter vs. 4th—annualized growth	Dept of Commerce	-2.8%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	2.0%

[1] U.S.-based manufacturers, excludes imports, as of 5/20/91.
[2] Wholesale goods. [3] April 1991.

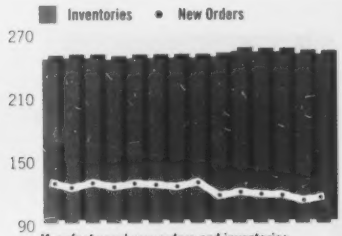
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

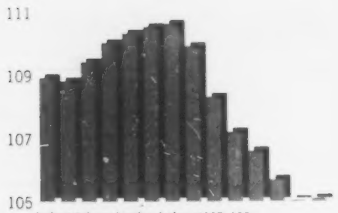
To measure these 8 elements, Forbes monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



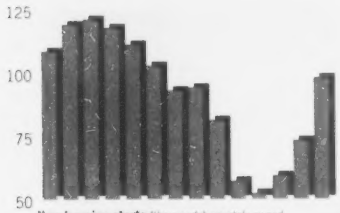
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)



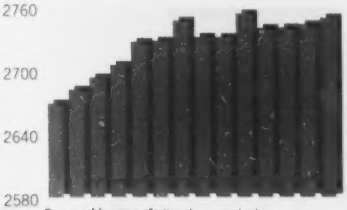
Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



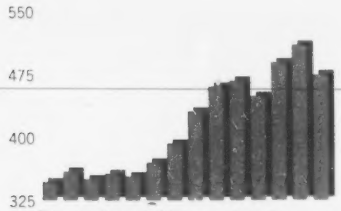
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



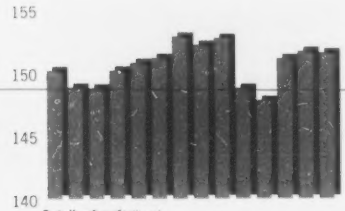
New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



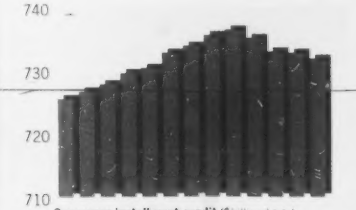
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

M A M J J A S O N D J F M A M A M J J A S O N D J F M A M A M J J A S O N D J F M A

Sustainable gains?

COMMENTARY BY MICHAEL GIANTURCO

Michael Gianturco is president of The Princeton Portfolios, a New Jersey asset management firm that specializes in science and technology stocks.

WITH FIRST-QUARTER earnings reports now mostly out, it is a logical time to review a list of the fastest-growing technology companies. The top ten science and technology companies in the current Princeton Portfolios database, ranked in terms of percentage earnings growth for the current quarter over the year-ago quarter, are noted in the table. To keep the rankings realistic, companies with tiny or negative year-ago earnings were excluded from the computer scan.

A few of the winning stocks (Amgen and Borland International, for example) have long since become the household words of the high-technology group. But there are some surprises here as well. Which companies are likely to sustain their excellent growth—and which are one-quarter wonders? Let's take it from the top.

IPL Systems has been outrunning the technology superstock, drugmaker Amgen, in both sales and earnings growth—yet comparatively few investors are alert to its progress, probably because of its relatively small gross revenues. FORBES included it in the best small companies in America *(Nov. 12, 1990)*. IPL has been around since 1973. Its vigorous growth began in 1985, when it started building compatible storage products (disk arrays, memory upgrades, tape subsystems) for IBM midrange computers, notably the AS-400.

The current quarter's extraordinary 300%-plus growth rate is exceptional. It happened because IPL Systems was working off a backlog of orders for a new disk array product introduced last September. In coming quarters, the growth rate will probably return to its norm—but bear in mind that the norm has been an annual doubling in revenues. There is some new stock in the offing, and earnings growth will not look as spectacular in coming quarters, so IPL Systems is not a buy just now. But it is a stock to watch.

Alex. Brown & Sons is one of four brokerages most closely identified with science and technology stocks. Its strong percentage growth figure is based on the solidly bullish market for technology stocks and new issues that began last October. (For more on new issues, see p. 216.) Some investors bet this stock as a proxy for the technology group, much as they might invest in, say, Merrill Lynch as a proxy for the broad market. Whether the growth can be sustained will depend upon the market for technology stocks at large, but note that it is an important stock to follow as a group bellwether.

Komag Inc. manufactures disk drives, and the drive stocks seem to have been tarred with the same brush as the big computer stocks. This is not very logical, but it is the case, and until issues like Apple and Compaq make a comeback, we will stay away from disk drive stocks.

Cisco Systems and Synoptics Communications are two stocks my firm has bought recently. They are familiar names, popular with institutions, and both deep in the business of linking together computers and networks of diverse types and languages.

RasterOps makes graphic art imaging computer systems—ad agencies and magazines use them in pre-press work (FORBES, *Feb. 2*). It is a technology leader and has grown from zero to $70 million in sales in just three years. RasterOps can probably sustain good earnings growth, but its already high visibility precludes a buy.

Landmark Graphics sells software used by oil company geologists to analyze geophysical data characterizing underground formations. New 3-D seismic data visualization techniques enable them to hunt for oil on the screens of their computers. Landmark owns about half the market for this software. But don't buy it unless you follow, as well, the oil and gas industry and its spending habits.

We also bought Zeos International from this list. We were shopping for a computer, not a stock, when we learned about Zeos. It makes those cheap, technically excellent, IBM-compatible PCs of the sort that have been undercutting IBM and Compaq on price. The margins are small, but Zeos' sales are large and growing. ■

Here are the quarter's top ten technology-based stocks ranked by earnings growth. Which ones can keep it rolling?

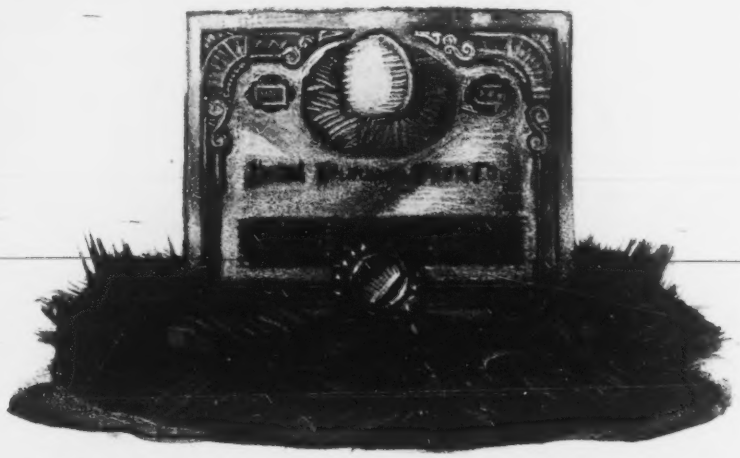
The best of the techs

Company	Sales growth	Earnings growth	Profit margin for qtr	Revenue for qtr ($mil)
IPL Systems	310%	329%	17%	$19
Amgen	145	328	26	140
Alex Brown	37	313	11	94
Komag Inc	64	245	12	49
Cisco Systems	178	185	23	50
RasterOps	55	125	9	18
Landmark Graphics	54	117	11	24
Synoptics Commun	103	109	16	61
Zeos International	126	106	4	59
Borland International	103	90	12	71

New issues? They are by and large a sucker's game. Don't play it unless (a) you can get them at the inside price; (b) you're buying in a bear market; and (c) you get rid of them quickly.

Getting taken

By Mark Hulbert



ONE OF THE MOST enduring stock market myths in academia is that new issues are a great buy. As the myth runs, when Widget Co. goes public at $20 a share, the stock's true value is more like $22, and brokers are doing their customers a favor in cutting them in on the offering.

In academia, the myth takes the form of an "anomaly" that the finance professors carefully carve out from their cherished efficient-market hypothesis. This hypothesis declares that all stocks are rationally priced at all times, so there is no way to consistently beat the market; the anomaly of bargain-price new issues is explained as a way that the broker rewards good customers for other business they bring to the firm.

Some reward! While some brokers do dole out small amounts of the better new-issue deals as a way to reward faithful clients, there aren't many such deals, and if there are you won't get much of them. Most new issues are overpriced, not underpriced, and they don't perform well over the long pull. Why should they be underpriced? Companies don't go public out of charitable instinct.

Suspicious that new issues were not all they were cracked up to be, FORBES set out six years ago to systematically study their long-term performance. The conclusion, from a review of 1,922 initial public offerings between the mid-1970s and the mid-1980s, was this: New issues, on average, do worse than the overall market (FORBES, *Dec. 2, 1985*).

The magazine's latest analysis covers 2,223 companies that went public between the beginning of 1981 and the end of April of this year. The conclusion remains that a strategy of buying new issues doesn't work. Yes, some new issues do spectacularly well—Microsoft and Amgen, to name two. But the average new issue does very badly. Someone who bought equal dollar amounts of all 2,223 would be 14% poorer today (as of Apr. 30) than someone buying the S&P 500 index on each of the dates when the new issues came out. Far from doing their loyal customers a favor, brokers who peddle new issues are simply overcharging them.

The academics are coming around to the view that new issues are not a good long-term buy, because their "excess" returns tend to come quickly and then cease. Thus, while academic studies in the 1960s and 1970s concluded that new issues are priced below their true values, a 1991 analysis by Associate Professor Jay Ritter of the University of Illinois at Champaign-Urbana comes to a very different sort of conclusion. Ritter's study found that while the average new issue has a first-day gain of 16.4%, for at least three years thereafter it underperforms the stock market as a whole.

No question, new issues do often shoot up in aftermarket trading, Duracell International being a recent case in point. Taken public by Merrill Lynch on May 2 at $15, it spiked to 21½ the next day. So if you can buy a hot issue at the offering price and sell quickly, you might make money—assuming you can count on finding a greater fool to sell to.

As for the eager buyers who weren't allowed in at the offering but leap to buy at rising prices in the aftermarket: They are indeed greater fools. Some supporting evidence on this score comes from the *Hulbert Financial Digest*'s tracking of investment newsletters, a few of which cover new issues. In analyzing them, I assume that the subscriber cannot act on a buy recommendation until the first day of aftermarket trading.

The service for which I have the most data is *New Issues*, edited by Norman Fosback and Glen Parker of the Institute for Econometric Re-

The top-performing new issues

Company/business	Price: offer[1]	Price: recent[2]	Offer value ($mil)	Offer date	% gain: actual	% gain: rel to S&P 500[3]	Underwriter
Home Depot/home improvement centers	$0.47	$57.50	$7	9/30/81	12,031%	3,755	Bear Stearns
Liz Claiborne/women's apparel	0.79	43.88	22	6/30/81	5,440	1,937	Merrill Lynch
King World Productions/film distribution	1.11	30.75	13	12/7/84	2,668	1,196	PaineWebber
US HealthCare/health care services	1.76	44.75	20	2/11/83	2,448	1,002	Merrill Lynch
Cracker Barrel Old Country/convenience stores	1.32	28.75	6	11/30/81	2,083	735	JC Bradford
Washington Federal S&L/thrift	1.59	33.25	11	1/17/83	1,998	822	EF Hutton[5]
Microsoft/computer software	5.25	99.00	59	3/14/86	1,786	1,188	Goldman Sachs
Adobe Systems/computer software	2.75	51.75	6	8/15/86	1,782	1,239	Hambrecht & Quist
Atlantic Southeast Air/airline	1.63	28.00	5	12/28/82	1,622	650	Robinson-Humphrey
AL Williams[4]/insurance	1.60	23.17	9	12/28/82	1,348	601	self

New-issue bombs

Company/business	Price: offer[1]	Price: recent[2]	Offer value ($mil)	Offer date	Underwriter
Televideo Systems/computer equipment	$18.00	$0.22[7]	$113	3/31/83	LF Rothschild[8]
Worlds Of Wonder/toys[6]	18.00	0.00	108	6/20/86	Smith Barney
Victor Technologies/computer equipment	280.00	0.38[7]	79	3/31/83	LF Rothschild[8]
Vestron/video distribution	13.00	0.13	70	10/11/85	Merrill Lynch
General Homes/residential builders	19.00	0.06[7]	67	6/30/83	Shearson Lehman
Priam/computer equipment	17.00	0.06[7]	65	6/21/83	Hambrecht & Quist
Elxsi/computer equipment	12.00	0.13	60	11/10/83	Merrill Lynch
AmeriFirst Bank/thrift	8.00	0.01	57	11/7/86	PaineWebber
Mediagenic/computer software	60.00	0.02	48	6/9/83	Morgan Stanley
TGX/oil & gas exploration	13.00	0.13	46	6/30/81	Merrill Lynch

Only a handful of new issues of the past decade produced extraordinary gains (above). Of the 2,223 stocks that went public from January 1981 to April 1991, 161 lost 98% or more of their value. At left are the biggest disasters.

[1]Per common share adjusted for splits. [2]As of Apr. 30. [3]The percentage by which $100 invested in the stock exceeds the ending value of $1 invested in the S&P 500. [4]Acquired. [5]Now part of Shearson Lehman Brothers. [6]Bankrupt. [7]Most recent quote available. [8]Subsidiary of Franklin Financial.
Sources: Security Data Co., Wilshire Associates.

search in Fort Lauderdale, Fla. This newsletter has recommended over 100 new issues since January 1983. I calculate that the letter lagged the market by a huge margin, achieving a compound annual total return of just 5% over this period, in contrast to the S&P 500's 17%.

How can it be that new issues are so consistently terrible? Why hasn't the investing public wised up? The academics haven't yet fully explained this market anomaly, but I can offer two theories. The first is psychological. It says that people are more likely to remember a new-issue success than a new-issue failure. Ask a seasoned market watcher for the names of some successful new companies of the past decade and he may have no difficulty rattling off examples like these: Liz Claiborne, Microsoft, Amgen. These issues are memorable because the companies in question are still around and very visible. But your historian would have to think harder to remember Televideo Systems, Worlds Of Wonder and Victor Technologies *(see table above)*. These were big issues, raising more dollars in their initial offerings than the three successes cited. They are forgotten because they wiped out their initial investors and aren't around to remind us of what happened. The net effect of these selective memories is that investors are likely to think that new issues do better than they in fact do.

The second theory on the new-issue anomaly is more cynical. It says that brokers continue to sell overpriced stocks because they are given an incentive to sell them. The typical underwriting margin on a new issue is over 7%, of which the retail broker who makes the sale pockets about a third or more. For handling a trade on an existing stock, a brokerage firm would get a commission of only 1% to 2%, and the broker would pocket at best 45% of the commission.

If you are determined to play the new-issues market, here are a few tips to improve your performance.

First, if you throw enough business to your broker that he owes you a favor, take advantage of it to get in on the new issues that are oversubscribed. Avoid the ones that are available in unlimited amounts.

Second, sell quickly. Someday word on the miserable aftermarket performance of new issues will leak

The biggest underwriters

Underwriter	Number of issues	—% of issues that— went up	beat the market	—Average performance— actual	rel to S&P 500	Total offer val ($mil)
Merrill Lynch	170	52%	36%	72%	103	$10,584
Goldman Sachs	93	65	46	77	119	9,879
First Boston	62	68	45	61	112	7,441
Shearson Lehman Brothers	113	54	44	49	100	6,932
Morgan Stanley	73	60	44	62	109	6,354
Salomon Brothers	72	56	40	35	90	6,236
Drexel Burnham Lambert*	131	50	37	33	91	5,387
Alex Brown & Sons	185	51	40	74	109	4,738
EF Hutton†	91	49	33	53	86	3,630
Bear Stearns	68	50	35	197	140	3,476

*Bankrupt. †Now part of Shearson Lehman Brothers.

Brokers are ranked by the total offer value of new stock issues since January 1981. Our study covered only offerings that raised at least $5 million and were priced at $5 or more.

out. Then the supply of greater fools will shrink and you may get stuck holding a bad stock.

Third, avoid new issues during those periods when the most new issues are coming to market—such as right now. Why? Because underwriters tend to exploit periods of speculative excess in the new-issues market by bringing an inordinate amount of junk to market. Look at the table below, showing new-issue performance year by year. The classes of 1983, 1986 and 1987 were by far the largest since 1981 and, not surprisingly, had among the worst performances relative to the market. During those years when there was less enthusiasm for new issues, in contrast, underwriters were forced to bring to market a smaller number of higher-quality companies at a better price. The classes with the highest relative performance were 1982, 1988, 1989, which are the three classes with the fewest members.

Finally, avoid offerings whose lead underwriters have bad records; see the underwriter table above.

A brief note on the methodology behind the statistics in these tables. FORBES compared the original offering price, adjusted for splits, with the most recent price. Thus, the performance numbers understate how much money the average buyer would have lost, since average buyers in many cases had to pay more in the aftermarket.

In two other respects as well, FORBES is being too easy on new issues. The FORBES database excludes those new issues whose initial offering price is under $5 or whose total offering size is under $5 million. This biases the results in favor of new issues, since it removes from consideration the penny stock market, where bankruptcies, overpricings and outright frauds are the most common. Second, FORBES ignored dividend payments, which are much higher on the S&P 500 used as a benchmark than on new issues.

In contrast, the *Hulbert Financial Digest* gives no credit for first-day gains and does include dividends in its performance numbers.

In the tables, "relative performance" is calculated as follows: Divide the ending value of $100 invested in the new issue by the ending value of $1 invested on the same date in the S&P 500. Thus, a relative performance of 100 means that the stock did the same as the market. If the newly public company was bought out, its ending value is the acquisition price and the comparison is with the S&P on the buyout date.

As you can see from the tables, buying initial public offerings is one of the dumber ways to invest.

Don't buy when the market is hot

Year	Number of issues	Performance— actual	rel to S&P 500	rel to Nasdaq
1981	174	125.5%	87	103
1982	44	185.4	115	138
1983	445	40.0	71	90
1984	165	65.5	84	97
1985	191	50.9	84	100
1986	468	19.3	79	90
1987	351	4.7	88	96
1988	123	45.9	106	116
1989	116	32.1	117	123
1990	123	13.3	103	91
1991*	23	26.1	122	118
Average		40.8	86	98
Total	2,223			

*Performance as of Apr. 30.

The worst years to buy new issues are the years when a lot of new issues are coming out.

Mark Hulbert is editor of the Alexandria, Va.-based *Hulbert Financial Digest*. His newest book is *The Hulbert Guide to Financial Newsletters* (New York Institute of Finance).

BY ERIC S. HARDY

Economists are not expecting a rapid economic recovery, but this doesn't bother Eric T. Miller, chief investment officer for Donaldson, Lufkin & Jenrette. Indeed, Miller believes that a moderate, rather than strong, recovery has a better chance of being a sustained one.

Miller does caution that if there isn't a recovery this year, or if the recovery is surprisingly strong and pushes up interest rates, then stocks could fall. Despite these complications, Miller is "selectively bullish" on certain technology companies such as Digital Equipment, Mentor Graphics and Tandem Computers. In all three cases Miller is impressed by cost-cutting and new products.

Walter Murphy, technical analyst at Merrill Lynch, predicts that the Dow will probably peak at 3050 to 3150 this year. Murphy says the market seems slightly overvalued, in light of its low dividend yield (currently at 2.9% for the Wilshire index). He also thinks the relatively low amount of cash in portfolios compared with January should limit the market's climb. "It [cash] is ammunition," he notes, "and it has already been spent."

For the two weeks ended May 30, the capitalization-weighted Wilshire index was up 3.8%. It closed the period near a record high. The next day, the 30 stocks in the Dow industrials closed at a record 3027.

The overall market[1]

The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Charming Shoppes	21⅝	29%	27	6,789	1.3
Computer Associates Intl	9¾	28	11	12,217	2.2
AmeriTrust	21¼	27	NM	3,410	2.4
Black & Decker	15	26	20	4,154	1.4
Family Dollar Stores	23⅛	23	26	934	1.1

The worst performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Rollins Environmental Svcs	10⅛	-12%	22	2,379	0.9
Public Service Colorado	21⅜	-10	8	2,085	1.7
Commerce Clearing House	17½	-10	17	401	1.9
Cyprus Minerals	18	-10	8	1,137	1.4
Seagate Technology	10¾	-9	7	8,843	0.6

Closeup on the market

Index or investment	Price or rate	2-week change	Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,693.3	3.8%	**Europe, Australia, New Zealand and Far East**[4] (EAFE) a dollar denominated capitalization weighted index	856.10	0.1%
Wilshire index 6,000 stocks, equal weighted	24.7	3.2	**Institutional**[5] Approximately 200 stocks with high institutional ownership	127.69	6.5
Dow Jones industrials 30 stocks, divisor-adjusted price average	3,000.5	3.7	**Individual**[5] Approximately 200 stocks with low institutional ownership	104.61	1.6
S&P 500 Capitalization weighted cross section, major stocks	387.0	4.0	**Russell 2000 index** 2000 small market value stocks, capitalization weighted	176.82	3.6
NYSE Capitalization weighted, all listed common stocks	211.5	3.7	**Gold**[6] (composite quote of 6 major dealers)	$363.40	2.0
Amex Capitalization weighted total return: stocks, warrants	369.8	3.2	**Yen**[6] (per $U.S.)	137.80	0.2
Nasdaq Capitalization weighted, all issues except warrants	503.2	4.4	**Commodity index**[6] (CRB futures index, 1967=100)	215.64	0.2
Amex international market index Capitalization weighted, 50 largest ADRs	316.7	0.1	**Oil**[6] (W Texas Intermediate)	$21.30	1.9
			T bills[6] (90 days)	5.44%	5 basis points[7]
			Broker loan rate[6]	7.50%	Unchanged

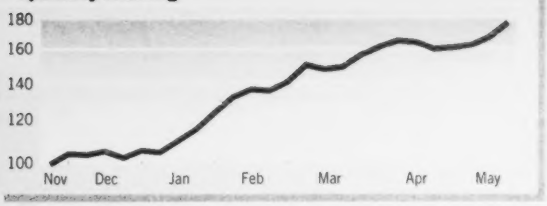
Note: All data for periods ending 5/30/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since the index was created. Stocks listed above have market capitalization of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over recent 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume during the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 5/31/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

INDUSTRY REVIEW

BY GILBERT STEEDLEY

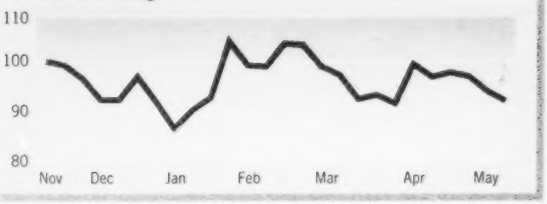
Best industry over the last 6 months

Specialty retailing



Worst industry over the last 6 months

Offshore drilling



Is Wall Street too far out in front of the home building industry? For the six months ended Apr. 24, residential construction stocks were the market's third-best-performing group. In contrast, new housing starts have had a more subdued recovery. Although housing starts increased for the three months ended Apr. 30, April's total was still 18% below the depressed figure for April 1990.

The best-performing group of stocks was specialty retailers. The largest stock in this group, Limited, was up 72% over the past six months.

With the end of the Persian Gulf crisis, many energy stocks lost their speculative premiums and didn't keep pace with the rest of the market. "It is going to take higher prices for gas to bring back drilling," says Robert Dorsey of Dallas Securities Investment Corp. But he also thinks gas prices and drilling activity could pick up next year.

Leading industries

Specialty retailing

Company	Recent price	6-month price change	Latest 12-months EPS	P/E	Debt/ equity
Merry-Go-Round Enterprises	31 3/8	144%	$1.15	27	20%
Charming Shoppes	20	103	0.85	24	12
Gap	60	89	2.32	26	1
Limited	27 1/4	72	1.07	26	35
Petrie Stores	20 1/2	43	0.10	NM	20

Healthcare services

Company	Recent price	6-month price change	Latest 12-months EPS	P/E	Debt/ equity
US HealthCare	35 1/4	108%	$1.37	26	3%
Medco Containment Svcs	49	65	0.81	60	35
National Health Labs	20	42	0.88	23	9
Community Psych Centers	34 5/8	35	1.85	19	6
National Medical Enterprises	46 3/8	24	3.35	14	108

Residential construction

Company	Recent price	6-month price change	Latest 12-months EPS	P/E	Debt/ equity
Hovnanian Enterprises	7 1/8	148%	$-0.74	NM	140%
Kaufman & Broad Home	14 3/4	111	0.93	16	71
Lennar	22 5/8	71	1.55	15	50
Centex	37	57	2.83	13	31
Ryland Group	18 3/4	56	0.66	28	89

Lagging industries

Offshore Drilling

Company	Recent price	6-month price change	Latest 12-months EPS	P/E	Debt/ equity
Noble Drilling	5 1/4	-24%	$-0.37	NM	35%
Atwood Oceanics	11 1/2	-19	-1.31	NM	55
Ocean Drilling & Exploration	17 3/4	5	0.71	17	33
Global Marine	4 3/4	12	-0.26	NM	NM
Sundownner Offshore Svcs	8 3/4	13	0.48	18	2

Oil & gas exploration

Company	Recent price	6-month price change	Latest 12-months EPS	P/E	Debt/ equity
Oryx Energy	32 5/8	-25%	$2.82	12	NM%
Anadarko Petroleum	26 1/4	-21	0.86	31	69
Noble Affiliates	14	-18	0.61	23	90
Unocal Exploration	11 1/8	-13	0.66	17	121
Apache	15 3/8	-9	0.91	17	50

Gas utilities

Company	Recent price	6-month price change	Latest 12-months EPS	P/E	Debt/ equity
Pacific Enterprises	30 5/8	-23%	$-0.94	NM	95%
Columbia Gas System	40 3/8	-19	2.16	19	81
Consolidated Natural Gas	39 3/4	-16	2.00	20	61
Arkla	18 1/8	-13	4.63	4	126
Sonat	44 1/2	-13	2.95	15	93

Industry performance is based on 6-month price change. Industries listed above have a market capitalization of $100 million or more and at least 5 companies.
NM: Not meaningful. All data ending 5/24/91. Source: Media General, via Lotus One Source.

The stock market's impending change in leadership

Can Donald Trump pay his hotel bill?

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Forbes

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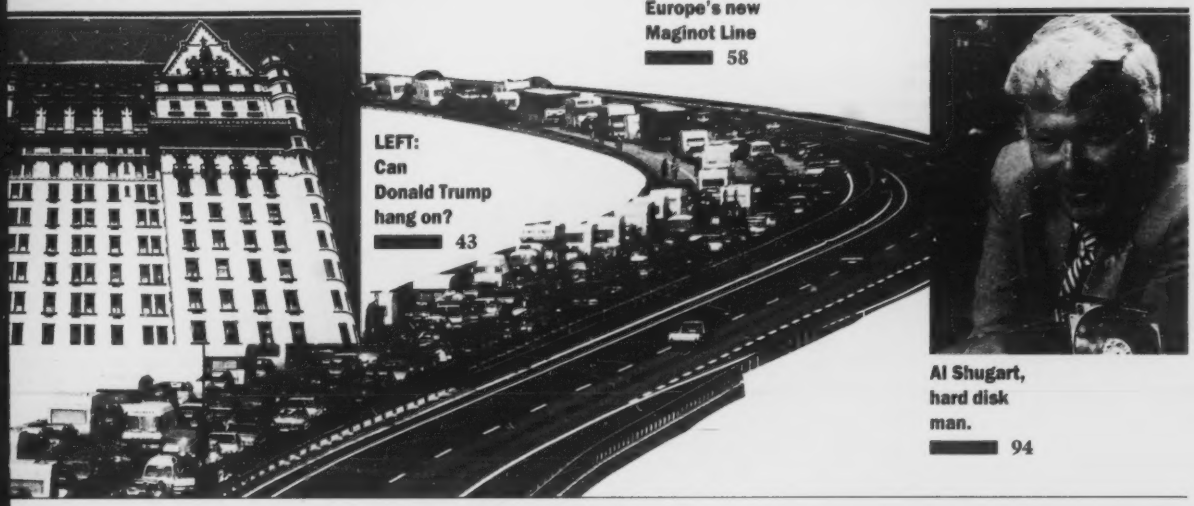

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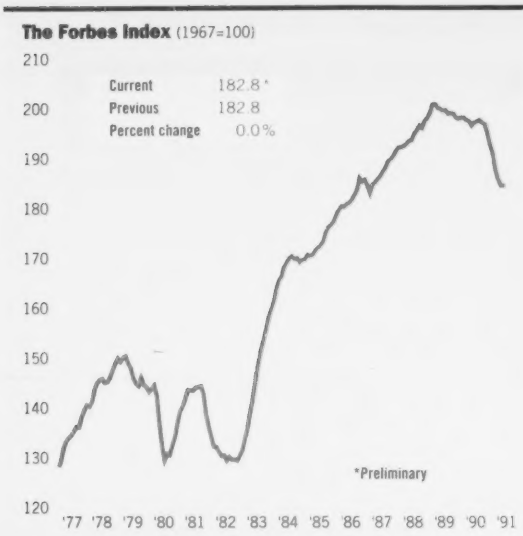
THE FORBES INDEX

BY TIMOTHY DODMAN



New claims for unemployment benefits fell 8% in May. More good news: A jump in nonfarm payrolls by 59,000 workers represented the first monthly gain in 11 months. Other positive signs include a 1% rise in retail sales and a 0.5% gain in industrial production in May. Despite worries of higher inflation accompanying any recovery, the Consumer Price Index rose just 0.3% in May, with most of the increase a result of rising energy prices. There is a good chance the Forbes Index will finish June on a gain from the previous month, ending a nine-month losing streak.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-12.8%
Index of leading indicators Apr vs Mar	Dept of Commerce	0.6%
Trade balance 12 months ended Mar 1991	Dept of Commerce	-$91 bil
All-commodity producer price index May vs Apr[2]	Dept of Labor	0.4%
GNP 1st quarter vs. 4th—annualized growth	Dept of Commerce	-2.6%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	2.0%

[1] U.S.-based manufacturers, excludes imports, as of 6/10/91.
[2] Wholesale goods. [3]April 1991.

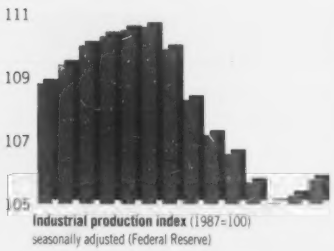
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

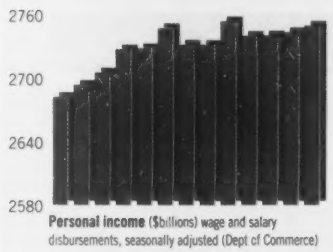
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

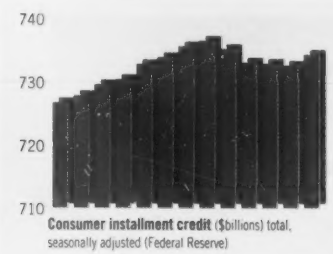
New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

A M J J A S O N D J F M A M A M J J A S O N D J F M A M A M J J A S O N D J F M A M

You think the auto business is tough in the U.S.? Well, take a look at Europe. Instead of the big three, they have the big six, plus some strong niche players. And here come the Japanese.

Will the (new) Maginot Line hold?

By Jerry Flint

WALTER HAYES, retired vice chairman of Ford of Europe, ponders the future of his company and his industry. "We are engaging in the Third World War," he says. "This one won't be won by Schwarzkopf or some fellow who looks good on TV. It's going to be won by a little bugger who can think."

What he will need to think about is how to prevent the Japanese auto industry from repeating in Europe what it has accomplished in the U.S., where it now owns 30% of the market in what was once a quintessentially American product.

Hayes is being a bit dramatic, but it's a question of survival for a good number of companies and literally hundreds of thousands of jobs. Europe's is a huge auto market, 13 million car sales even in this recession year, against fewer than 9 million in the U.S. Add on enormous potential growth from Southern and Central Europe, from Portugal to Hungary.

No surprise that the Japanese companies want a piece of this. What frightens many is that the Japanese seem to be following, perhaps a decade later, the same pattern they used in their successful invasion of the U.S.

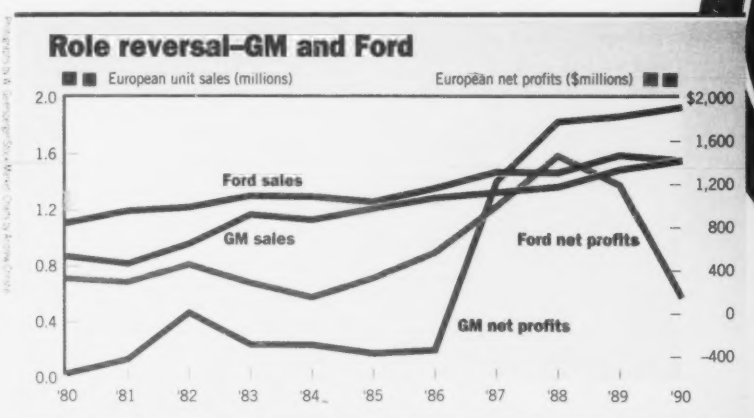
First comes biting off the periphery. In Europe's case the periphery is export markets—Africa and the Middle East, North America. In the non-car-producing nations of Europe, such as Finland, Ireland, Norway and Switzerland, where they face fewer political obstacles, the Japanese have already captured 25% to 45% of the market. Then come the new transplant factories in the heartland with their advantages: tax subsidies and hungry young workers without the traditional union baggage, adding up to higher productivity, higher quality, quicker reaction to market changes.

First come the cheap, small cars to build market share. Then come the stylish sedans, then the expensive luxury sedans, which are still relatively rare in Europe. "They may be holding back until these trade discussions end," guesses John Hardiman, chairman of German Ford. No doubt the Japanese want to avoid having Mercedes and BMW join the anti-Japanese alliance.

Why have the Japanese moved so much slower in Europe than in the U.S.? Quotas in key producing states—Italy, where the Japanese quota is close to zero, Spain and France, where it's 3%, and then Britain, where it's a gentleman's agreement 11%. Europe is already a donnybrook so far as cars are concerned. In place of our big three, Europe has the big six: VW, with 16.6% of Western Europe; Fiat, with 13.3%; GM, closing in near 13%; Ford and Peugeot, around 12% each this year; and Renault, with 10%. Then there are the big niche players: Mercedes, BMW, Porsche, Rover and Volvo, plus some small but renowned nameplates like Rolls-Royce and Saab.

The donnybrook is going to get a lot rougher—that's why Hayes talks about "war" when the quotas expire in 1993. The Japanese are building plants: Nissan in

Europe is where the action is. The Japanese, held back by quotas, are building plants to cash in on 1993's open borders. The Western European carmakers demand protection but also have enormous growth potential in Central Europe, which would need another 25 million cars to catch up with the West. The U.S. entries, Ford and GM, reverse roles: GM, strong in suddenly booming Germany, sets profit records. Ford, strongest in Britain, is crippled by the recession and low productivity. To outmaneuver the Japanese, GM pushes east, while Ford pushes south.



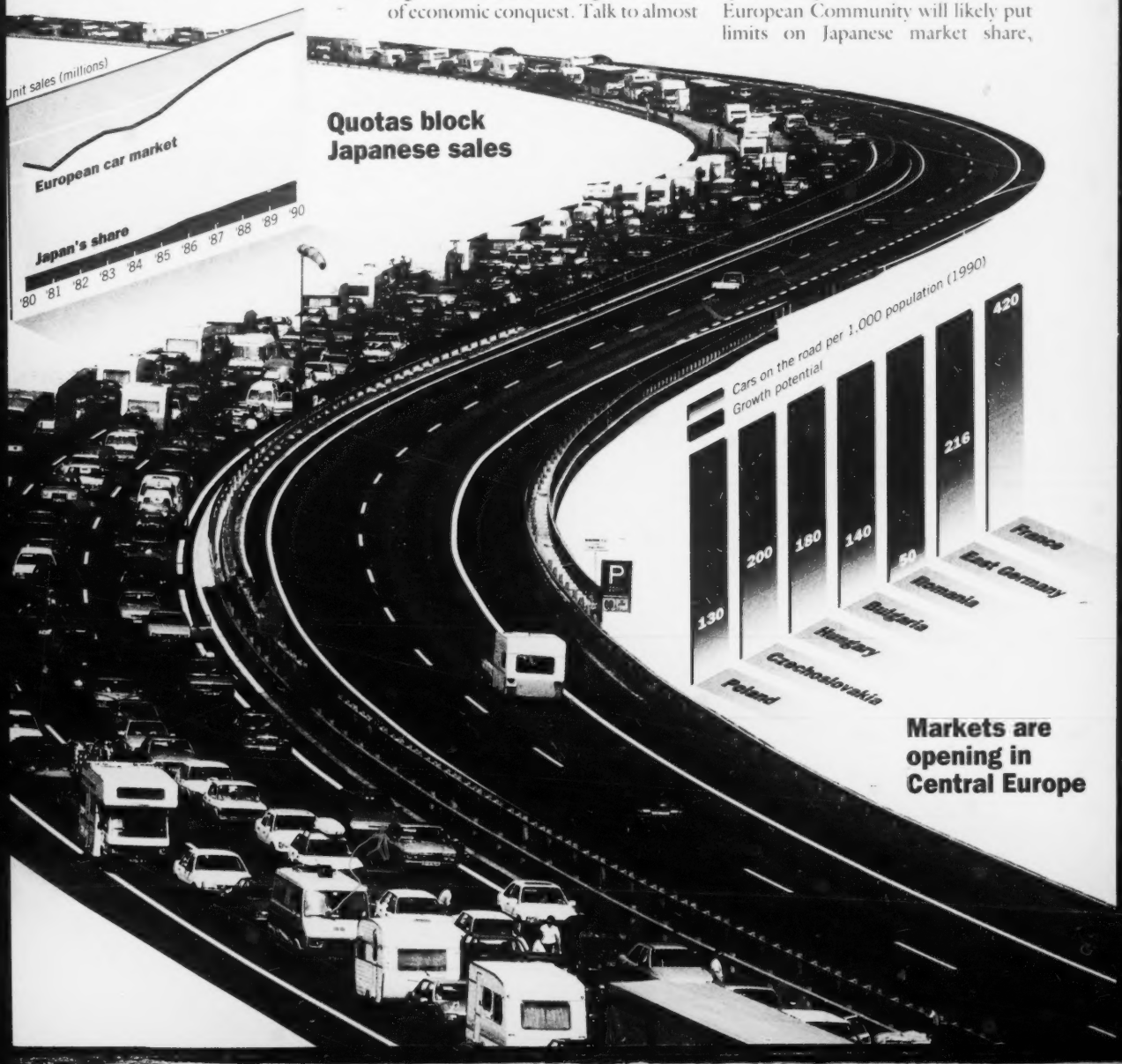
Britain is rolling cars at a 100,000-a-year rate now, losing money but planning to double production quickly. Toyota and Honda are building in Britain, and Mitsubishi has an assembly deal in the Netherlands.

If history repeats itself, a second tier of plants will start coming by 1995, adding up to 2 million units of new capacity, says Lindsey Halstead, chairman of Ford of Europe. Trojan horses, he calls these factories. His use of the term is full of meaning. He explains that, since there isn't much overall growth in the market, every bit of capacity the Japanese add may make obsolete a unit of existing capacity. That idle capacity pushes up unit costs among the established manufacturers at the very time the Japanese are reducing their costs with brand-new plants, new workers and additional economies of scale. If the Japanese control the Asian markets and win a third of North America and Europe, they will win the battle of scale and bring down their unit costs to the point where the war will be over. So say the worriers.

Jacques Calvet, who heads French Peugeot, is one of the loudest worriers. He strikes a chauvinistic line, coming close to racism, when he says that the Japanese compete by sacrificing their standard of living for the sake of economic conquest. Talk to almost any European automan and you will hear much the same complaint, but in private.

The European automakers still have a few advantages Detroit has lacked, most important a willingess to use thumb-in-eye tactics. Example: Generally the Japanese cannot sell their cars in dual dealerships in the European Community as they can in the U.S., which means no cheap, fast way to build distribution networks.

There are other advantages. "First, we already make small cars, and we're aware of their strength. And here the government will help us, not them," says Hardiman of German Ford. Despite the open borders of 1993, the European Community will likely put limits on Japanese market share,



Lindsey Halstead, Ford of Europe's chairman

He promises a course correction: more spending on the cars and more Europeans in top jobs.

probably around 15% to 17% by the end of the decade. The big closed markets like Italy and France will open only slowly.

All European carmakers also have their own defense strategies:

Volkswagen expands partsmaking in China and Mexico and carmaking in Spain and Czechoslovakia.

GM spreads its parts-buying out of Germany, goes to three-shift assembly and plans to make its new plant in eastern Germany a model of Japanese methods learned at the GM-Suzuki joint venture plant in Canada.

Renault and Volvo agree to work together. Fiat counts on automating its factories to match Japan's productivity and quality.

But no one is more threatened than Ford, because Ford is probably running red in Europe. The late Henry Ford II foresaw a united Europe back in 1967 and pushed his many national companies into one Ford of Europe to prepare for that day. In recent years a third of the company's profit came from Europe, but something's gone wrong. Most of the $1-billion-plus in annual profit and $2 billion in operating profit from Europe disappeared last year, which may be one of the reasons Ford stock has lost nearly $6 billion in market value over the past 12 months.

What went wrong?

■ Management: The chief executive slot at Ford of Europe has been a revolving door this past decade for folks sent out from Detroit. Says Karl Ludvigsen of London, who publishes *Euromotor Reports*: "You can't run a European car company today with itinerant Americans who are learning on the job."

Lindsey Halstead, the chairman of Ford of Europe and an American, doesn't disagree. "We're going to have more Europeans in key jobs than we have today," he says.

■ The market: The British market collapse hit Ford harder than most. The U.K. is Ford Europe's biggest market, where it leads with 25% of the sales and earns most of its European profit. Bad times chopped industry car sales 25% this year and 31% over two years. But Ford has also lost U.K. market share, down from 30% a decade ago, meaning some of the problem is its own.

■ Product: "You can't win with 10-year-old cars and 12-year-old engines," says Maryann Keller, the New York auto analyst at Furman Selz Inc. The British team admits it. Forgetting the lesson of the stylish Taurus in the U.S. and the Sierra in Europe, Ford management turned conservative and decided to change as little as possible in its new product.

Worse was becoming penny-wise and pound-foolish, putting off product spending, especially on engines. Result: When the new European Escort, Ford's bestselling Eurocar, was introduced last year, it received terrible press reviews, important in Europe, in part because big-horsepower engines were not available. Even Ford's U.S. headquarters admits this was a serious error.

■ Productivity and quality: The British plants don't match the Continental plants, let alone the Japanese plants. An Escort from Ford's Halewood plant, near Liverpool, costs $350 to $400 more to make than the German model. The quality isn't good enough to export, so although Escorts are scarce in Germany, they aren't exported from Halewood, which also went on strike just as the Escort was being launched, costing hundreds of millions of dollars.

■ Jaguar: Ford's $2.5 billion catch is losing money. Sales collapsed with the British and U.S. recessions, and with the new Japanese luxury car competition in the U.S., where Jaguar has made most of its profits.

More embarrassing, GM of Europe, which always trailed Ford of Europe, is now outselling its traditional enemy and making record profits. Some of that is luck: GM's best market, Germany, is booming, while Ford's best market, Britain, collapses. But part of it is product: GM spent on new cars and engines while Ford was pinching pence, and it shows in the sales. As the chart on page 58 shows, GM was willing to lose $2 billion in the early and mid-1980s in order to make $7 billion during the 1987-90 period.

Fortunately, Ford management knows it goofed and has a well-thought-out comeback strategy. It involves:

■ Building sales in Italy, France and Spain—the countries that will fight

the Japanese the hardest. Ford is selling 11% of the Italian market this year, up from 8% last year. France is near 10%, from 7% a year ago. Ten percent is the "critical mass," says Bruce Blythe, Ford's European strategist, the share needed to build dealers, distribution and recognition.

■ Using the U.S. as a production base, potentially one of the most exciting developments of the decade. Directive F104 from the president of Ford in Dearborn orders that all future product programs be designed for the world market. This means, for example, that future U.S. Fords will be designed for easy conversion to right-hand drive and European regulations. "The North American manufacturing system is reemerging as a world player," says John Oldfield, Ford of Europe's chief of product development. "Mr. Iacocca and Mr. Lutz [Lee and Robert, former Ford officials now heading Chrysler] showed that this can be done" by exporting Jeeps and minivans to Europe. If Ford had planned its Louisville-built Explorer for export a few years ago, the company might be selling tens of thousands in Europe today, three-shifting Louisville, and counting the extra profits in the hundreds of millions.

■ Getting lean. Ford's European employment dropped to 100,000 (before Jaguar), from 150,000 a decade ago, and the company is building 400,000 more vehicles. It's not good enough. "Every single process must change. We must change it all. The way we answer the mail, the way we pay the bills, the way we engineer the cars," says William Fike, Ford of Europe's president. "This isn't getting rid of secretaries. It's reducing the bureaucracy. It's not just money; it's aimed at shorter product cycles." Fike figures it's a two-year job.

■ Productivity. Ford's assembly plants in Saarlouis (Germany) and Genk (Belgium) are considered the most productive in Europe. It's not good enough. In the fall of 1992 Ford will follow GM and start three-shifting, first at Genk, where the new midsize Sierra will be built, then at other plants as demand grows. New parts are being designed for easier manufacture. Today's Escort engine, for example, takes 3.7 labor hours to build. The new engine for the Escort going into production for fall will take 2.7 hours. The best in Japan take 2 hours, Ford says. The goal: Catch the Japanese in the mid-1990s.

The serious problem is the Halewood plant, where costs run $350 to $400 a car over the Saarlouis plant and quality suffers. Closing a car plant is not easy in Europe, but it could happen.

"We will put it to the people: 'You will have to improve Halewood, or Halewood is going under,' " says Albert Caspers, who heads Ford of Europe manufacturing and once ran Halewood. "No one has to tell me to close Halewood. The customer will tell me if our cars aren't acceptable, in cost, in quality. We have to meet the Japanese." British unions are notoriously hard to deal with, but Ford's management has had its spine stiffened by recent vicissitudes.

■ Product. A huge get-back-in-the-game spending program is under way, $11 billion in five years. A new engine for the Escort, the Zeta, will come out this fall: Passing time from 30 to 50 miles per hour will shrink in half from 17 seconds. Ford will have its step-up engines finally, 150 and 220 horsepower, the kind of power Europeans like, and the kind that pushes up profits. A new, sleek, midpriced Sierra is due in the fall of 1992, and a rush restyling of the Escort car will be ready then, too, the fastest touch-up Ford has ever done in Europe.

Trucks are being pushed, and Ford thinks it will soon challenge Renault for truck sales leadership across Europe. A joint venture with Volkswagen to build minivans in Portugal might be a prelude to other projects with the giant German carmaker.

If the car recession ends in Britain, Ford of Europe officials say they will get half the company's profit back next year and all of the annual $1-billion-plus net the year after. They are confident they can win the short-term profits battle. But the war against the Japanese? That's going to be a lot tougher.

"This is going to be war in the early Nineties," says Fike. "We see exactly what we saw in the U.S. in the early Eighties. But this time we're getting ready." ■

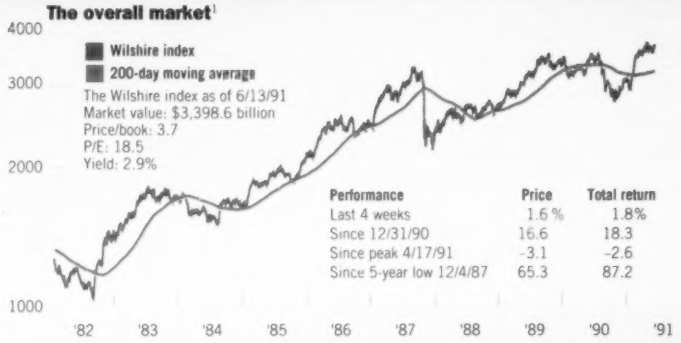
William Fike, Ford of Europe's president
"Change it all! The way we answer the mail, the way we pay the bills, the way we engineer the cars."

Robert S. Robbins, a market strategist at American Express' Robinson-Humphrey unit, is betting that the expected economic recovery is bona fide and won't fizzle after only a few months. Robbins sees some parallels between the present situation and economic conditions back in 1982, when the stock market took off.

"Equities have the best of both worlds at this part of the economic cycle," he says. "Inflation is low and interest rates should come down despite their recent uptick." Robbins is looking for an earnings-driven summer rally, and concedes that many of his favorite stocks—Nucor, Dell Computer, Home Depot and U.S. Surgical, for instance—represent an aggressive portfolio that would likely underperform the market if the economy were to backslide.

The Dow industrials lost 1.2% and slipped below the 3000 mark for the two weeks ended June 13. But Dow component Goodyear, which appointed a new chief executive, rose 27%. Some of the sharpest setbacks were suffered by health care issues. Amsco, Genzyme, Cetus and U.S. Healthcare were hit with double-digit losses. Time Warner lost one-fifth of its value during the two-week period and now trades under 100. In 1989 Time Inc.'s board rejected a $200-per-share, all-cash offer from Paramount Communications.

The overall market[1]



Performance	Price	Total return
Last 4 weeks	1.6%	1.8%
Since 12/31/90	16.6	18.3
Since peak 4/17/91	-3.1	-2.6
Since 5-year low 12/4/87	65.3	87.2

The best performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Ivax	26½	39%	NM	281	2.6
Goodyear Tire & Rubber	33⅛	27	NM	785	2.5
Geneva Steel	15¾	16	7	92	2.1
Oracle Systems	9	16	22	1,547	1.3
Danaher	22	15	22	128	2.4

The worst performing stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Calgon Carbon	22¼	-21%	22	370	2.3
Time Warner	95	-21	NM	659	4.4
Amsco	15⅝	-20	21	80	0.5
Aldus	44¾	-16	25	282	1.3
Cincinnati Bell	19⅜	-15	14	94	2.6

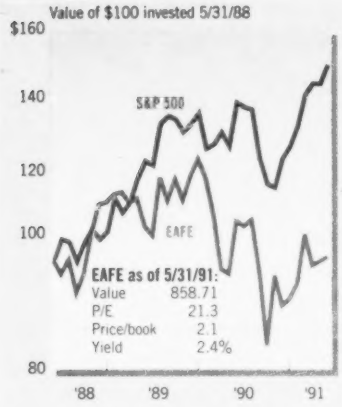
Closeup on the market

Index or investment	Price or rate	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,616.0	-2.1%
Wilshire index 6,000 stocks, equal weighted	24.7	0.2
Dow Jones industrials 30 stocks, divisor-adjusted price average	2965.1	-1.2
S&P 500 Capitalization weighted cross section, major stocks	377.6	-2.4
NYSE Capitalization weighted, all listed common stocks	207.1	-2.1
Amex Capitalization weighted total return: stocks, warrants	366.1	-1.0
Nasdaq Capitalization weighted, all issues except warrants	491.1	-2.4
Amex international market index Capitalization weighted, 50 largest ADRs	307.8	-2.8

Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	815.70	-4.7%
Institutional[5] Approximately 200 stocks with high institutional ownership	124.92	-2.2
Individual[5] Approximately 200 stocks with low institutional ownership	104.23	-0.4
Russell 2000 index 2000 small market value stocks, capitalization weighted	174.71	-1.2
Gold[6] (composite quote of 6 major dealers)	$369.60	1.7
Yen[6] (per $U.S.)	141.25	2.5
Commodity index[6] (CRB futures index, 1967=100)	214.90	-0.3
Oil[6] (W Texas Intermediate)	$19.70	-7.5
T bills[6] (90 days)	5.57%	13 basis points[7]
Broker loan rate[6]	7.50%	unchanged

Note: All data for periods ending 6/13/91. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since the index was created. Stocks listed above have market capitalization of $500 million or more. [1] Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2] Average daily volume over recent 2-week period. [3] Average daily volume over the last 2 weeks, divided by the average daily volume during the preceding 3 months. [4] Morgan Stanley Capital International Perspective. [5] For period ending 6/14/91. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6] Knight-Ridder Financial Information. [7] A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

Foreign vs. U.S. markets



Developed markets

Market	Total return[2] 3 months	12 months	P/E
Hong Kong	8%	22%	12
New Zealand	6	-17	7
Singapore[3]	3	2	20
Finland	-1	-18	34
Netherlands	-1	5	18
Germany	-5	-9	16
Japan	-4	-10	37
Norway	-4	-19	23
Sweden	-3	-9	17
Spain	-2	4	12

Emerging markets

	Total return[2] 3 months	12 months	P/E
Region			
Latin America	35%	44%	NA
Asia	24	-21	NA
Country			
Argentina	81	69	5
Taiwan/China	44	-36	33
Philippines	43	-16	30
Turkey	-28	-22	18
Zimbabwe	-6	49	14
Venezuela	-5	324	29

Very hot in recent years, foreign stocks are up only 9% so far this year in dollar terms, according to a Morgan Stanley index of 1,068 stocks from Europe, Australia, New Zealand and the Far East. That compares with an 18% rise for the S&P 500 index of U.S. stocks.

What about the rest of the year? John Abbink, a vice president at Deutsche Bank Capital Corp. in New York, makes the case for a resurgence in the German market. According to the international edition of the Institutional Brokers Estimate System, 1991 earnings estimates for German companies are being cut less than those of other European corporations. Abbink goes further: He thinks that analysts will start increasing their forecasts for German companies' earnings.

Outside of Europe, Abbink is excited about Hong Kong, Singapore, Malaysia and Australia because of their ties to the U.S. dollar and their local industries that serve the American market. "They will benefit from a strong dollar and an eventual economic recovery in the U.S.," says Abbink.

Who's hot

Company/Country	Business	Price	3-month price change	P/E
L'Espresso/Italy	broadcast, pub	20⅛	44%	51
Genting/Malaysia	leisure	4⅛	35	25
Bombardier B/Canada	aerospace	19¼	32	16
Nippon Yakin Kogyo/Japan	metals	6¾	32	40
Coca-Cola Amatil/Australia	beverages	6½	30	34

Who's not

Company/Country	Business	Price	3-month price change	P/E
Janome Sewing Machine/Japan	appliances	6	-45%	62
Fasa Renault/Spain	automobiles	2	-38	7
Laidlaw B/Canada	trucking	10⅞	-35	13
Continental/Germany	machinery	110	-31	17
Lasmo/UK	energy	5½	-29	15

Cheap foreign stocks

Company/Country	Business	Price	Earnings	P/E
Bayer/Germany	chemicals	170	$17.37	10
Hanson/UK	multicompany	3¾	0.36	11
BCE/Canada	telecom	37	3.11	12
Sony/Japan	electronics	45⅝	2.50	18
Dragados/Spain	construction	26¼	1.23	22

High-yielding foreign stocks

Company/Country	Business	Price	Yield	P/E
SmithKline Beecham A/UK	health care prods	13¾	12.4%	19
Maxwell Communications/UK	printing, pub	3⅝	9.8	11
Westpac/Australia	banking	3⅝	8.9	7
Pagurian A/Canada	financial services	6	8.7	13
Amalgamated Steel/Malaysia	metals	2	8.4	35

Note: Data for period ending 5/31/91. Selected stocks have a market capitalization of at least $300 million. [1]EAFE is a price return index of European, Australian, New Zealand and Far Eastern stocks converted into U.S. dollars. [2]Performance numbers reflect both local price change and currency fluctuation. Dividends are reinvested after subtracting foreign withholding tax. [3]Includes Malaysia. NA: Not available. Principal source: Morgan Stanley Capital International Perspective. Emerging markets data provided by International Finance Corporation for period ending 4/30/91.

Should you play it safe now that the Dow has crossed 3000? No. If history repeats, the market could go a lot further as the recovery unfolds.

Beyond 3000

BY CHARLES E. BABIN

Charles E. Babin is managing director of BRS Capital Management, Inc., an investment management firm in Boston.

HOWEVER equity managers go about setting strategy, they are ever mindful that investors can be fickle. During bear markets, absolute performance counts. But in bull markets, managers stand or fall based on their results relative to the competition.

Unhappily, such pressures foster mediocrity. As long as everybody's performance is more or less the same, the odds of losing clients are slim. On the other hand, there is a serious business risk associated with divergent strategies gone wrong.

This may well explain why so many Wall Street experts missed the rally that began last October and that has carried the Dow Jones industrials from 2365 to past 3000. As I mentioned in my Oct. 1, 1990 FORBES column, consensus thinkers were convinced that there would be an economic domino effect from the wrecking of the Kuwaiti oilfields. The logic seemed impeccable: Runaway oil prices would fuel inflation, exacerbate the economic downturn and keep the stock market weak.

But signals from the credit markets were at odds with the consensus. What's more, the precedent of the market's good performance during previous oil shocks was reassuring. Faced with this somewhat confused situation, many money managers adopted a defensive position, thinking it the safest thing to do. It was a mistake. Trough to peak, the Dow Jones industrials jumped 27%.

In my opinion, today's market line looks too pat and could prove just as costly. Pessimism seems again the order of the day. Just one month after the Dow closed at its alltime high of 3004 (Apr. 17), the gloomsters were back. All it took was a correction of less than 5%. To paraphrase a recent *Wall Street Journal* column: The market's in a catch 22 situation. If the economy recovers, interest rates will rise to choke off further appreciation. But if the recovery fails to materialize, that would be even worse because the rally was based on the assumption that a recovery was at hand.

Maybe so. But there are solid reasons to believe that the rally isn't over. Start by examining the Dow's appreciation during previous bust-to-boom cycles. As shown in the table, since 1950 there have been six occasions when the economy recovered from negative growth years. Interestingly, real GNP growth was supernormal on all but two of those occasions (1971 and 1981). What's more, 1981 was peculiar in two other respects: It was sandwiched between two recession years; and it witnessed two negative GNP quarters.

Notice that the recovery years were preceded by bull markets, even though the economy was mired in recession—not unlike 1991. With the exception of 1981, the momentum stretched into the recovery periods. So, the market has been acting true to form in this rally: It started up even though the economy languished. And, if history is any guide, we can expect it to continue rising even after the economy shows clear indications of recovery.

How far can the market go? In the past when economic growth exceeded 3%, the Dow's average return was nearly 19%. Today's consensus 1992 GNP forecast calls for an anemic 2.5% real growth, but a reliable early indicator—credit-market behavior—suggests a banner year ahead, possibly 4%-plus. History could repeat—which suggests the market could go a lot further as the economy rebounds.

Other signs suggest that stock prices aren't overheated. As I detailed in my Apr. 15 column, the market's capitalization relative to the economy approximates its historical norm. Nor is 3000 on the DJI as high as it may seem. Remember, the Dow peaked at 2722.42 in August of 1987 just prior to Black Monday, which means the index has gained barely 10% in 3½ years, hardly a sparkling performance. In fact, the Dow's cumulative return for the period fell short of that earned on riskless Treasury bills.

Finally, cynics are betting that presidential candidate Bush will make every effort to orchestrate 1992's numbers. In their view, George Bush would love to count 3000 Dow "points of light" among his first-term accomplishments, and items like capital gains tax reform might be just the ticket in an election year.

Sure, strategies that buck the consensus are risky. But no risk, no reward. Beating the average performance demands a willingness to lean against conventional wisdom when conditions warrant it. Today is no exception. In a year or so investors could easily view 3000 as the Dow's new "support" level. ■

Is the rally over?

Recovery year	Real GNP growth	Dow Jones industrial average recovery year appreciation	prior year
1983	3.6%	20.3%	19.6%
1981	1.9	-9.2	14.9
1976	4.9	17.8	38.3
1971	2.8	6.1	4.8
1959	5.8	16.4	34.0
1955	5.6	20.8	44.0
Average	4.1	12.0	25.9

Despite a 600-point rise in the Dow, a return to supernormal GNP growth in 1992 could spell continued prosperity.

How to get rich buying and selling radio stations

Mutual funds: How to fight spiraling fees

The Forbes International 500 survey

July 22, 1991 Four Dollars

Forbes

The billionaires

The world's 274 richest business people- including shipping tycoons, hotel magnates, plantation owners, drug dealers and mere coupon clippers

Forbes
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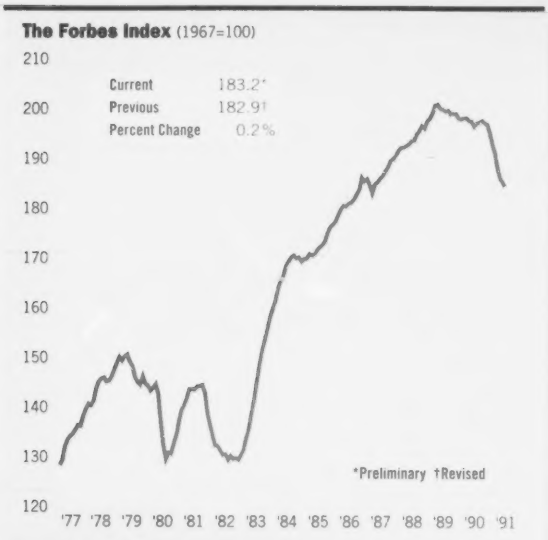
THE FORBES INDEX

BY TIMOTHY DODMAN



Final revisions to first-quarter GNP showed the economy shrinking at a 2.8% annual rate. That may prove to be as bad as the recession gets, to judge from data now rolling in. Wages and salaries rose 0.6% in May, double the increase in the Consumer Price Index for the month. Another positive sign: May consumer spending (not a Forbes Index component) rose 1.1%. With May figures reported for all but two components, the Forbes Index is showing its first monthly rise in nine months. The only indicator showing weakness is housing starts.

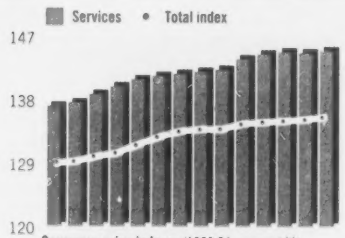
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-12.0%
Index of leading indicators May vs Apr	Dept of Commerce	0.8%
Trade balance 12 months ended Apr 1991	Dept of Commerce	-$89 bil
All-commodity producer price index May vs Apr[2]	Dept of Labor	0.4%
GNP 1st quarter vs. 4th—annualized growth	Dept of Commerce	-2.8%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	1.0%

[1] U.S.-based manufacturers, excludes imports, as of 6/20/91. [2] Wholesale goods. [3] May 1991.

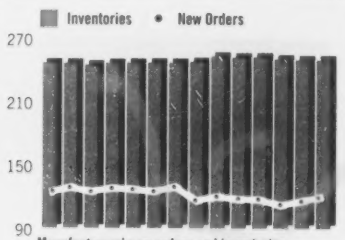
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

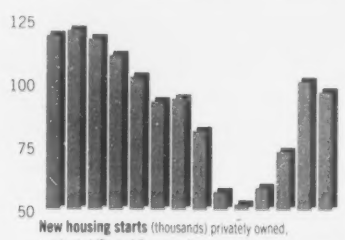


Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)



Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

A M J J A S O N D J F M A M

A M J J A S O N D J F M A M

A M J J A S O N D J F M A M

What happens to municipal bond insurance if some big municipalities go bust? The insurers are stronger than they seem.

Privatized risks

By William Tucker

PHILADELPHIA'S finances are a shambles. Bridgeport is trying to declare bankruptcy. New York City is once again on the brink. A sizeable portion of each of these cities' outstanding debt is covered by privately underwritten municipal bond insurance. How good is the insurance?

Total outstanding municipal debt is around $840 billion; of that, around 24%, or some $200 billion—plus interest payments on that principal—is insured. Four big companies account for around 97% of the municipal insurance in force *(see table)*. Between them the four have capital of $2.5 billion to cover defaults on almost $360 billion in insured principal and interest.

But look at the schedule of potential payouts, and the gross numbers don't look quite that shaky. In case of default, the insurer is immediately liable only for current interest. At maturity, of course, it is also liable for the principal, but in most cases that gives the insurer many years to work out a settlement. That the loss would be total is scarcely thinkable.

"Any municipal default would almost certainly be temporary," says William O. Bailey, chairman and chief executive officer at MBIA, which only recently experienced the first default in its 17 years of existence. "After it resumes debt service and is back on its feet, we have the right to go back and collect our payout from the municipality."

Bailey says that MBIA insures $123 million of hard-pressed Philadelphia's outstanding $1.5 billion issues. Were Philadelphia to default tomorrow, MBIA would owe only $4.5 million in interest payments for the remainder of the year, and $29 million in 1992. Its total exposure to Philadelphia over the coming 27 years is $192 million. MBIA has $840 million in capital plus over $1.5 billion in other reserves, including a $500 million bank credit line. Total exposure: $158 billion.

Investors have been skittish for other reasons. When cities buy insurance they are in effect buying the triple-A ratings of the insurers so as to reduce their own borrowing costs. If the insurance companies' ratings drop, so does the amount they can save cus-

Street scene in Bridgeport, Conn. **After years of mismanagement, the city wants to declare bankruptcy. Will others follow?**

The major players in municipal bond insurance

The capital ratios are low, compared with other forms of insurance, but the potential payouts are spread over a period of many years. In addition, insurers can go back and reclaim the payments once an issuer regains solvency.

Insurer	Ownership	% of outstanding insured municipals	Qualified statutory capital ($mil)	Net insurance in force ($bil)
Municipal Bond Investors Assurance Corp (MBIA)	Aetna; Cigna; Fund American; Credit Local de France; public	43%	$840	$158
Ambac Indemnity Corp	Citibank	26	740	86
Financial Guaranty Insurance Co (FGIC)	General Electric Capital Corp	24	602	88
Financial Security Assurance Inc (FSA)	USWest; Tokio Marine & Fire Insurance Co	4	292	28

Source: Mark H.S. Cohen, managing director, Fitch Investors Service

tomers in interest payments. That, in turn, reduces the premiums cities are willing to pay for the insurance.

Reflecting investors' fears, MBIA's stock was battered—falling from 35 to 28 almost overnight—when it appeared Philadelphia was about to default last October. But Philly hasn't defaulted, MBIA officials maintain the insurer is fundamentally sound, and the rating agencies have left MBIA's triple-A rating intact. As confidence recovered in April, MBIA sold 12.4 million new shares to the public at $35. Current price: $31.

Ambac, the industry's oldest player, wasn't so lucky. In June Citibank—Ambac's parent—tried to sell a significant stake of Ambac to the public. But the offer was subsequently postponed—some industry insiders say indefinitely and blame "a terrible market."

Probably the worst problems facing the industry right now are competition and falling interest rates, both of which reduce premium revenues. "Municipal bond insurance is a pretty generic product," says Robert Froehlich, director of research at Van Kampen Merritt, the Chicago asset management firm. "The price is usually set at half the spread between the interest the municipalities have to pay based on their current ratings, and the interest rates they will get with insurance. Those spreads have been getting thinner as interest rates come down." Responding to this, most bond insurers have expanded other lines, including insuring asset-backed securities.

Believers in the free market deeply hope that municipal bond insurance will prove itself in the present crisis. Says Catherine England, director of regulatory studies at the free-market-oriented Cato Institute: "There's a growing tendency to think that the federal government has to handle all big risks—that the private market cannot handle failure."

England has a point: For the federal government to step in and back municipal risks with its own credit—as it has with banks and many other functions—would be a recipe for disaster. Do federal taxpayers want to underwrite the extravagance of local politicians? Do the taxpayers really need another S&L mess?

Divi Hotels had little trouble borrowing lots of money. Easy come, easy go.

"We were just bumpkins"

By James R. Norman

IT SEEMED a good idea at the time. Turn seedy old Caribbean beach hotels into cozy family resorts; add diving and gambling; then build time-share vacation units next door. Such "barefoot elegance," reasoned Ithaca, N.Y. lawyer Walter J. Wiggins, would turn his tiny Aruba-based Divi Hotels N.V. into the "Marriott of the Caribbean."

Before this Wiggins had earned his keep mostly by defending small-time crooks, but now he was an international financier. Divi went public in 1984, and from its two original resort complexes on Aruba it grew within six years to nine facilities with 1,500 rooms on six islands—becoming one of the biggest chains in the Caribbean. Revenues doubled in two years, to $112 million in 1989. In 1988 its Amex-listed stock topped 13 a share for a market value of more than $70 million. Wiggins' 11% interest had a paper value of about $8 million.

Then the bottom fell out. Divi reported losses of $11 million in 1989, $45 million in 1990 and $27 million in the first nine months of fiscal 1991. The stock recently traded at 30 cents. With new construction stalled, some $15 million worth of prepaid time-share investors could be left high and dry. Angry bondholders could well end up trying to wrest control from Wiggins.

What went wrong? On the surface the problem was too much debt. Greedy to expand, Wiggins and his board—which included L.F. Rothschild investment banker Joel Reader—loaded Divi up with all the debt they could borrow. Among the willing lenders and bond buyers: now-failed Executive Life, which bought

Divi Hotels Chairman Walter Wiggins
He sold the company his bum assets.

$12 million of bonds worth less than $900,000 at year-end. Total debt is now $162 million, including $110 million of junk bonds at up to 14.5% interest. The company now has a negative net worth of $34 million, but beyond that there was mismanagement and apparent self-dealing.

"The whole world was pouring money on us and we were just country bumpkins," alibis Roger D. Coster, former head of operations, now recovering from drug abuse. Coster and Daniel Wilson, former Divi chief financial officer, agree that there was no way Divi could pay back its huge debt unless every piece of the construction plan worked perfectly—a virtual impossibility in the Caribbean.

At one point, Wiggins tried to persuade the board to pay him $7 million

The world's billio

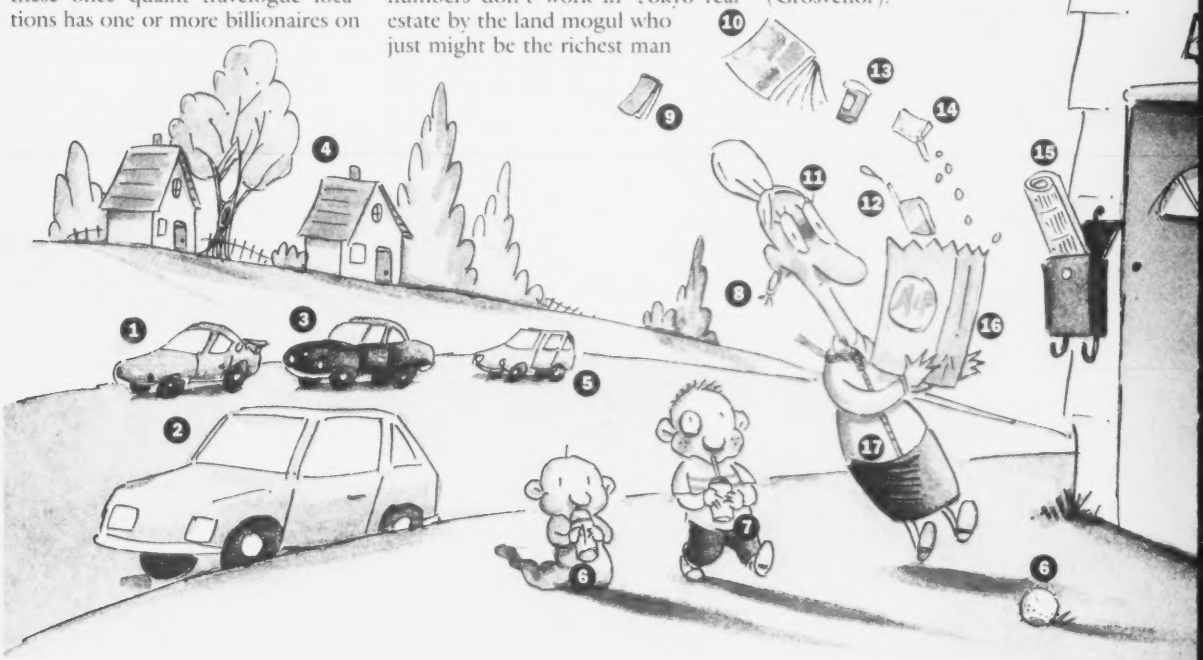
Edited by Harold Seneker
Reported by Hiroko Asami, Gale Eisenstodt, Amy Feldman, Diana Fong, Philip Glouchevitch, Toddi Gutner, Nobuko Hashimoto, William Heuslein, Junko Ikeda, Hiroko Katayama, Roula Khalaf, Manjeet Kripalani, Dolores Lataniotis, Joel Millman, Claire Poole, Joyce Quek, Katherine Weisman; Forbes von Burda

IN THE WANING YEARS of the 20th century, political boundaries are becoming increasingly irrelevant to commerce and industry, and the business community has become global, not national. These titans of trade are as likely to have interests in East Bridgewater, Mass. as in London, as likely to be selling groceries in Texas as in Tokyo. See the illustration below for a brief—incomplete—demonstration. Follow these people, learn what they are doing and how they are investing and get glimpses into major business trends. Some of the most rapid economic expansion in the world is going on in Southeast Asia. These are boom times in Thailand, Malaysia, Indonesia; this year each of these once quaint travelogue locations has one or more billionaires on our list. For better or worse, they are in the capitalist world.

At the same time, the established industrial countries are wrestling with big problems. In Japan land prices have been driven so high by speculation they are an economic worry. It is a delicate matter for the authorities: squeezing the speculators without touching off a price collapse that could threaten the collateral and stability of the country's banks. Want a look at how it feels on the inside? Our Japan real estate section begins on page 128. There you'll find one of Japan's biggest land speculators, worth over $7 billion on paper, if he doesn't go bankrupt tomorrow. Also a quick and gloomy take on why the numbers don't work in Tokyo real estate by the land mogul who just might be the richest man in the world.

People on both sides of the Atlantic wonder about Canada's famous Reichmann brothers. With real estate values sinking virtually every place they own property, some have wondered whether they've overextended with their enormous Canary Wharf project in London. See page 121.

But real estate isn't in the tank everywhere. One British billionaire real estate family is drawn for the first time in centuries to invest outside the English-speaking world altogether. The market that's so compelling? See page 182 (Grosvenor).



naires

Is there a billionaire in your home? Welcome to the global economy

1. **Porsche family:** Porsche car
2. **Chung Ju-yung:** Hyundai car
3. **Quandt family:** BMW car
4. **Genshiro Kawamoto:** home development
5. **Giovanni Agnelli:** FIAT car
6. **Cisneros brothers:** Spalding tennis ball; Evenflo baby bottle
7. **Masatoshi Ito:** 7-Eleven product
8. **Swarovski family:** rhinestones
9. **Kerry Packer:** coupons
10. **Heinz Bauer:** Woman's World magazine
11. **Liliane Bettencourt:** L'Oreal cosmetics
12. **Rausing brothers:** Tetra-Pak juice boxes
13. **Hoffmann family:** Valium tranquilizer
14. **Michele Ferrero:** Tic Tac candies
15. **Ken Thomson:** small-town newspaper
16. **Erivan Haub:** A&P groceries
17. **Tadao Yoshida:** YKK zipper
18. **Charles Bronfman:** Seagram's whiskey
19. **Robert Maxwell:** Macmillan books
20. **Ingvar Kamprad:** Ikea furniture
21. **Matsushita family:** VHS videotape
22. **Hattori family:** Seiko watch
23. **Garza-Sada family:** Dos Equis beer
24. **Kristianson family:** LEGO blocks
25. **Pablo Escobar Gaviria and Ochoa family:** cocaine scourge
26. **Morita family:** Sony TV, Walkman
27. **Koo family:** Goldstar VCR
28. **Hiroshi Yamauchi:** Nintendo system
29. **Junichi Murata:** fax machine
30. **Alain Wertheimer:** Chanel perfume
31. **Reinhard Mohn:** RCA record
32. **Benetton family:** sweater

In Hong Kong we found billionaires and millionaires alike building feverishly, as if the Chinese takeover scheduled for 1997 weren't ever going to happen. The very good reason for that has nothing to do with faith in Beijing. See page 158.

Back in Japan, billionaire moneylenders are thinking hard about a new trend among the country's younger generation that could mean deep social change in the future. It means more business for them, but at least one is seriously worried about it. Why? See pages 144, 146.

In Germany we find a billionaire forbidden to buy three east German newspapers he'd already sunk money into. The probable reason? German politics (Bauer, p. 200).

In Brazil we find support for President Collor de Mello visibly weakening among two of his most important supporters (p. 116). And elsewhere in the Americas are the Colombian drug billionaires, demonstrating to all the world that enough money can subvert a country (p. 114).

Beyond all that, many of these people are interesting in themselves.

Want to know who is the richest man in the world? So do we. We have two candidates this year, both plausible. Page 128. Then there is the richest 8-year-old in the world. Does he have business problems. Page 202. And in Germany we find a lawyer (courtesy of affiliate Forbes von Burda, which prepares its own German rich list, reflected here) who made a huge fortune out of a German law designed to discourage lawsuits. Page 201.

Don't American billionaires matter too? We look at them, and the rest of the richest people in America, in the tenth edition of the Forbes Four Hundred, in October. For now, we simply list their names (p. 126).

You won't find royalty or dictators here. The Sultan of Brunei and the King of Saudi Arabia are sodden with money, while dictators like Kim Il Sung use at their whim the assets of whole countries. But kings and dictators are fading. This is capitalist wealth we deal with here. See page 108.

–H.S.

Country*	Page	Number of billionaires
Australia	176	1
Austria	196	1
Brazil	116	3
Canada	121	9
Colombia	114	2
Denmark	192	1
France	178	9
Germany	200	40
Greece	184	3
Hong Kong	156	7
India	176	1
Indonesia	164	3
Italy	185	6
Japan	128	41
Korea	166	4
Lebanon	110	2
Malaysia	166	1
Mexico	120	2
Netherlands	192	3
Philippines	166	1
Saudi Arabia	108	6
Singapore	166	2
Spain	188	3
Sweden	190	3
Switzerland	193	6
Taiwan	174	5
Thailand	160	2
Turkey	110	3
United Kingdom	182	6
United States	126	96
Venezuela	121	1

*Plus The Aga Khan IV, page 112

Name/country/*industry*	Page
Over $10 billion	
Mori, Taikichiro/Japan/*property development*	128
Tsutsumi, Yoshiaki/Japan/*land, railroads, resorts*	128
Over $5 billion	
Haniel family/Germany/*trading, retailing*	207
Irving family/Canada/*oil distribution, paper, land*	122
Nakajima, Kenkichi/Japan/*pachinko machines*	144
Otani, Yoneichi and family/Japan/*hotels*	134
Rausing, Hans and Gad/Sweden/*liquids packaging*	190
Reichmann, Paul, Albert, Ralph/Canada/*real estate, investments*	121
Sainsbury, David and family/U.K./*supermarkets*	184
Shin Kyuk-ho (a.k.a. Shigemitsu, Takeo)/Korea/*candy, real estate*	170
Takenaka family/Japan/*construction*	132
Thomson, Kenneth Roy/Canada/*publishing, retailing*	123
Watanabe, Kitaro/Japan/*real estate*	129
Over $2 billion	
Agnelli, Giovanni and family/Italy/*autos, etc.*	185
Albrecht, Karl and Theo/Germany/*supermarkets*	203
Al-Rajhi family/Saudi Arabia/*money changing/banking*	108
Beisheim, Otto/Germany/*retailing*	206
Bettencourt, Liliane/France/*cosmetics*	179
Bin Mahfouz family/Saudi Arabia/*banking, investments*	110
Boehringer family/Germany/*pharmaceuticals*	214
Brenninkmeyer family/Netherlands/*retailing*	193
Escobar Gaviria, Pablo/Colombia/*cocaine*	114
Fentener van Vlissingen family/Netherlands/*oil & gas, retailing*	193

Name/country/*industry*	Page
Finck, August and Wilhelm von/Germany/*banking, real estate*	209
Flick, Friedrich Karl Jr./Germany/*heavy industry*	207
Garza-Sada family/Mexico/*beer, steel, packaging*	120
Grosvenor, Gerald Cavendish/U.K./*real estate*	182
Hariri, Rafik B./Lebanon/*construction, investments*	110
Hattori family/Japan/*watches*	144
Haub, Erivan/Germany/*supermarkets*	208
Hayashibara, Ken/Japan/*pharmaceuticals, real estate*	134
Henkel family/Germany/*consumer products*	212
Hoffmann family/Switzerland/*pharmaceuticals*	196
Isono family/Japan/*importer, wholesaler*	150
Ito, Masatoshi/Japan/*retailing*	138
Itoyama, Eitaro/Japan/*land*	129
Iwasaki, Yohachiro/Japan/*logging, property, resorts, etc.*	134
Kamprad, Ingvar/Sweden/*furniture retailing*	190
Kipp, Karl Heinz/Germany/*variety stores, real estate*	207
Koc, Vehbi M./Turkey/*conglomerator*	110
Kwok family/Hong Kong/*real estate*	160
Li Ka-shing/Hong Kong/*property development, industry*	156
Liem Sioe Liong and family/Indonesia/*finance, trade, manufacturing*	164
Merck family/Germany/*drugs, chemicals*	212
Mohn, Reinhard and family/Germany/*publishing*	207
Mulliez family/France/*hypermarkets*	182
Murata, Junichi/Japan/*fax, industrial machinery*	150
Ochoa family/Colombia/*cocaine*	114
Oetker family/Germany/*food, brewing*	212
Ohga, Tetsuo/Japan/*publishing*	141
Oppenheim family, von/Germany/*banking*	208
Otto family/Germany/*mail order, real estate*	203

Name/country/industry	Page
Quandt family/Germany/*autos, industry*	212
Sagawa, Kiyoshi/Japan/*delivery service*	150
Schickedanz family/Germany/*mail order*	206
Schmidheiny family/Switzerland/*construction, industry*	196
Schmidt-Ruthenbeck/Germany/*retailing*	207
Schorghuber, Josef/Germany/*construction, real estate, beer*	208
Seydoux/Schlumberger families/France/*textiles, media, oil services*	178
Shino, Rinji/Japan/*real estate, leisure*	134
Tada family/Japan/*real estate development*	132
Takei, Hirotomo/Japan/*real estate*	132
Tsai, Wan-lin and family/Taiwan/*insurance, construction*	174
Vestey, Samuel and Edmund/U.K./*meatpacking*	184
Weston family/Canada/*foods, supermarkets*	123
Widjaja, Eka Tjipta/Indonesia/*pulp & paper, banking*	164
Yamaguchi, Hisakichi/Japan/*cans*	152
Yamauchi, Hiroshi/Japan/*videogames*	138
Yoshida, Tadao and family/Japan/*zippers, building materials*	150
Yoshimoto family/Japan/*real estate*	132

Over $1 billion

Aga Khan IV/*religion, investments*	112
Bauer, Heinz Heinrich/Germany/*publishing*	200
Benetton family/Italy/*apparel*	188
Berlusconi, Silvio/Italy/*media, retailing, real estate*	185
Birla family/India/*cement, aluminum, autos*	176
Bosch family/Germany/*auto parts*	214
Botin family/Spain/*banking*	189
Bouriez family/France/*hypermarkets, luxury goods*	182
Bronfman, Charles/Canada/*liquor*	121
Camargo, Sebastiao/Brazil/*construction, manufacturing*	120
Chang Yung-fa and family/Taiwan/*shipping, trucking*	174
Chearavanont family/Thailand/*agribusiness*	160
Cheng, Yu-tung/Hong Kong/*real estate*	158
Chung Ju-yung and family/Korea/*heavy industry*	166
Cisneros family/Venezuela/*consumer products, broadcasting*	121
Conle family/Germany/*charter airline*	207
Dassault, Serge and family/France/*aircraft, electronics*	178
David-Weill, Michel/France/*investment banking*	178
Dreesmann, Anton and family/Holland/*retailing*	192
Eaton family/Canada/*retailing*	122
Eczacibasi, Nejat F. and family/Turkey/*pharmaceuticals*	112
Ermirio de Moraes, Antonio and family/Brazil/*mining, industry*	116
Ferrero, Michele/Italy/*candy*	188
Ferruzzi family/Italy/*agribusiness, chemicals*	185
Freudenberg family/Germany/*textiles, diversified products*	214
Furukawa, Tamesaburo/Japan/*real estate, movies*	134
Gerling, Hans/Germany/*insurance*	209
Goulandris family/Greece/*shipping, real estate, etc.*	185
Grundig family/Germany/*electronics*	212
Haefner, Walter/Switzerland/*car sales, software*	196
Haindl family/Germany/*newsprint*	209
Herz family/Germany/*coffee, cigarettes*	207
Hsu family/Taiwan/*textiles, cement, department stores*	174
Jacobs, Klaus/Switzerland/*coffee, chocolate, temp employment*	193
Jameel, Abdul Latif/Saudi Arabia/*auto distribution, real estate*	109
Jinnai, Ryoichi/Japan/*moneylending*	144
Juffali family/Saudi Arabia/*conglomerate*	110
Kadoorie family/Hong Kong/*utilities, hotels*	160
Kamel, Saleh Abdullah/Saudi Arabia/*banking, service contracts*	109
Kawamoto, Genshiro/Japan/*real estate*	129
Kawamura, Shigekuni/Japan/*ink, chemicals*	152
Kinoshita family/Japan/*moneylending*	144
Kirch, Leo/Germany/*movies, TV programs*	200
Koplowitz sisters/Spain/*construction*	188
Kobayashi, Heizo/Japan/*real estate*	132
Koo family/Korea/*conglomerate*	170
Koo family/Taiwan/*financial services, cement, chemicals*	176
Kristiansen family/Denmark/*LEGO*	192
Kuok, Robert/Malaysia/*sugar, shipping, hotels*	166
Kwek/Quek family/Singapore/*finance, property, etc.*	166
Latsis, John/Greece/*shipping, oil*	184
Lee family/Singapore/*banking, rubber*	166
Lee Byung-chull family/Korea/*conglomerate*	170
Lee Shau-kee/Hong Kong/*real estate*	156
Leibbrand, Willi/Germany/*supermarkets*	208
Ligresti, Salvatore/Italy/*real estate, construction, insurance*	188
Mann family/Germany/*retailing*	214
March family/Spain/*construction, banking*	189
Marinho, Roberto/Brazil/*media*	116
Matsushita family/Japan/*electronics*	139
Maus/Nordmann family/Switzerland/*department stores*	195
Maxwell, Robert/U.K./*publishing*	182
Merckle, Adolf/Germany/*pharmaceuticals*	200
Moores, Sir John and family/U.K./*football pools, retailing*	182
Morita family/Japan/*electronics*	138
Murayama family/Japan/*publishing*	152
Nangaku, Masao/Japan/*consumer electronics, real estate*	132
Niarchos, Stavros/Greece/*shipping, investments, art*	184
Olayan, Suliman Saleh/Saudi Arabia/*licensing, investments*	108
Otsuka, Masahito and family/Japan/*pharmaceuticals, beverages*	146
Packer, Kerry/Australia/*media, investments*	176
Pao, Sir Yue-kong and family/Hong Kong/*shipping, real estate*	156
Peugeot family/France/*autos*	178
Porsche family/Germany/*autos, auto dealerships*	201
Rochling family/Germany/*coal, steel, electronics*	208
Sabanci brothers/Turkey/*conglomerate*	112
Safra brothers/Lebanon/*banking*	110
Saito family/Japan/*paper*	140
Saji, Keizo and family/Japan/*liquor*	146
Schuppli, Wolfgang/Germany/*insurance, real estate*	201
Siemens family, von/Germany/*electrical machinery*	214
Slim Helu, Carlos/Mexico/*conglomerate*	120
Soeryadjaya, William and family/Indonesia/*auto sales, finance*	164
Sophonpanich family/Thailand/*banking*	164
Swarovski family/Austria/*rhinestones, jewelry stores*	196
Swire family/Hong Kong/*trading, airline, real estate*	160
Takei, Yasuo/Japan/*moneylending*	146
Takizaki, Takemitsu/Japan/*sensors*	146
Teramachi family/Japan/*bearings*	140
Thurn und Taxis, Prince Albert von/Germany/*land, investments*	202
Thyssen-Bornemisza, Hans Heinrich/Switzerland/*art, manufacturing*	196
Tsutsumi, Seiji/Japan/*retailing, hotels*	140
Uehara, Shoji and family/Japan/*pharmaceuticals*	150
Voith family/Germany/*manufacturing*	209
Vuitton family/France/*luxury goods*	182
Wang, Y.C./Taiwan/*plastics*	174
Werhahn family/Germany/*construction, manufacturing*	202
Wertheimer, Alain and family/France/*perfume, designer clothes*	179
Yokoi, Hideki/Japan/*real estate*	134
Zobel family/Philippines/*real estate, manufacturing*	166

It's not easy figuring out who owns what in Europe. Italy's Francesca Agusta, for example, says she's heir to a billion-dollar fortune. Her stepson says she's mad.

Italian soap opera

By Lisa Gubernick

Corrado and Rocky Agusta (below); Contessa Francesca in Portofino (right) **She spent years searching. But will she ever find the missing millions?**

NORMALLY, La Scala is the best place in Milan for high drama and steamy emotions. But the opera house is nothing compared with what is being played out not far away at the Tribunale di Milano, Milan's principal courthouse. There Contessa Francesca Agusta, 48, the titian-maned widow of aeronautics magnate Count Corrado Agusta, is waging a bitter war against her stepson, Count Riccardo (Rocky) Agusta, 38, jet-setter and erstwhile wine importer. At stake: Francesca's slice of the century-old Agusta family fortune, which she claims is worth upwards of $1 billion.

L'affaire Agusta has it all: big money, secret bank accounts, arms deals with the shah of Iran, and even charges of mysterious circumstances surrounding a death.

While the Agustas aren't as well known as the Guccis or the Agnellis, the position of their company—Agusta SpA—as one of the Continent's preeminent aeronautical innovators is unequaled. Founded in 1907 by Giovanni Agusta, it was taken over in 1971 by Agusta's youngest son, Corrado, after the death of his older brothers. Under Corrado, the company developed the Agusta 109 executive helicopter and a military version called the Mangusta.

By the mid-Seventies Agusta's company was doing so well Corrado could have appeared on *Lifestyles of the Rich and Famous.* Among his playthings were a home in Portofino, a place in St. Moritz, a spread in Cuernavaca, luxurious apartments in both Milan and Manhattan, a yacht, a Gulfstream jet—and a very glamorous second wife, Francesca, a former fashion model some 20 years his junior, whom he made his contessa in 1974.

For the first ten years, all went smoothly as the golden couple jetted from Europe to Mexico to Tehran, where Agusta sold helicopters to the shah. But in 1985 they hit a rough patch: Francesca says she wanted to have children. Corrado, who had a grown son, Riccardo, from his first marriage, wasn't interested. By the end of the year they had an interim separation agreement. Francesca got the flat in Milan, five years' salary for her servants plus a flat cash settlement of $3 million. Previously Corrado had given her the villa in Portofino and the house in Cuernavaca.

In 1986 Francesca decided she wanted more. That's when the trouble began.

Over risotto and white truffle in her elegant Milan villa, Francesca tells her side of the story. "I told him [Corrado] I needed more money to establish the life I had," she says. "I said I needed $15 million." But Corrado "laughed in my face," she says, and "told me I was crazy to think he had that kind of money."

A billionaire who couldn't come up with $15 million? Francesca didn't believe it. Not only did newspapers report his worth to be hundreds of millions of dollars, but she also dug up government documents that valued his stake in the company at $120 million in 1982. He gradually sold that stake to the Italian government, which now owns all of it. That piece of Agusta's fortune alone could now be worth $200 million.

Where did the money go? Corrado claimed it had been spent, but a team of private detectives hired by Francesca found evidence that the funds were intact. Corrado, she claims, had used the money to fund a score of Panamanian and Bahamian shell corporations. The shares of the corporations, in turn, are held by Liechtenstein trusts, complex financial structures that make it almost impossible to find the true owner.

Francesca believes that there are hundreds of millions of dollars more stashed in secret accounts scattered from the Bahamas to Liechtenstein. Supported by reports in the Italian press and from U.S. military sources, the contessa claims Corrado was skimming money off the top of arms sales to the shah of Iran and others.

For three years, from 1986 to 1989, Corrado and Francesca battled. Because there was no definitive settlement, under Italian law there could be no divorce. In the process, Corrado fell ill and his son Riccardo returned home from America. Within a year Corrado was dead from liver cancer.

David Muscroft/Corbis Stock Sets

The messy divorce fight turned into an even messier will battle between the contessa and her stepson.

Francesca soon charged Count Rocky with illegally stripping the estate. Documents filed in Swiss and Italian courts suggest that hours before Corrado's death in St. Moritz, Rocky flew to Milan to execute power of attorney over various of his father's accounts. The documents indicate withdrawal of some $22 million from Corrado's bank accounts. Count Rocky insists he was with his father when he died.

Francesca shows a visitor an affidavit from a family friend who says that Rocky tried to bribe him to persuade Francesca to agree to a divorce. According to the affidavit, Rocky told the friend he would "get billions" when his father died.

Rocky, interviewed in his lawyer's office in Milan, dismisses all this as "absurd." He points to his father's will, filed in Switzerland, in which he was named sole beneficiary. "By the end," he says of his stepmother, "my father hated that woman."

Unfortunately for Rocky, his father's emotions are irrelevant. While the will is authentic, its legality is unclear. Since both Francesca and Corrado were Italian citizens, the estate is governed by Italian law. Like American law, it says that a man cannot disinherit his wife. On Feb. 26, 1991 the Italian court ruled that Francesca is an heir, and thus entitled to at least one-third of the estate.

What, aside from greed and hate, is at stake here? How much is the Agusta clan really worth? Corrado's will does not say. A preliminary tally from Rocky lists assets of just $60 million. So for the last year, Francesca and her lawyers have been on a worldwide treasure hunt, trying to unravel the extent of Agusta's fortune.

One example: Corrado's Gulfstream jet. At first, according to Francesca, Rocky Agusta claimed that the plane did not belong to his father's estate but rather to an unrelated Bahamas company. When Francesca finally tracked down and deposed the officers of the Bahamanian corporation that held title to the plane, they admitted they were nominees holding shares of the company for Corrado. Rocky now says he never contested ownership of the plane.

Establishing the ownership of other assets has been more difficult because of bank secrecy laws. Francesca claims that her late husband controlled other corporations as well as Agusta, with shares all held by those Liechtenstein foundations, which in turn are controlled by Swiss banks.

As an official heir, Francesca has the right to penetrate some banks' secrecy veils. Both Swiss and Italian courts (the will was filed in Switzerland, so jurisdiction over the assets is split) have ordered Rothschild A.G. and Fides, a division of Credit Suisse—the banks that control the trusts—to testify as to the trusts' assets. The banks have yet to comply.

Count Rocky, too, refuses to detail the size of his father's estate, saying only: "Anybody can say they own the Piazza del Duomo. Proving it to a judge is another matter." The Italian judge, meanwhile, still awaits an inventory of Corrado's estate from the Swiss court. Says Rocky: "It's up to her to come up with the numbers."

In Italy as in America, the only ones sure to profit from this battle are the lawyers. In a moment of charming good humor, Rocky gestures to his table full of lawyers. "Since I've paid you so much and we've become so friendly, from '91 on, perhaps you'll do it for sport?" he says to them. The lawyers respond in Italian. Rocky translates. "They don't agree," he says with a grin.

David Sarch, one of Francesca's lawyers, doesn't think this is particularly charming or funny. "Rocky thinks that he can bring Francesca to her knees financially by making the effort much more costly and by delaying," says Sarch.

But the contessa has already proved herself a tough adversary who's likely to go a few more rounds. "When they step on my feet I am very aggressive," she says. "I will never give up." If she prevails, we might have another billionaire family to add to our listing. Then again, we might not. ■

Middle East

Saudi Arabia

Suliman Saleh Olayan

Suliman Olayan is licensee of Colgate-Palmolive, Coca-Cola, Kimberly-Clark, Burger King and other big American companies in his native Saudi Arabia. Now he wants to expand into Kuwait. As his ally, he's lined up an important Kuwaiti merchant family, the Al-Sagars. Abdul Aziz Al-Sagar is the head of the Kuwaiti Chamber of Commerce. The focus will be on high-tech jobs in oil services and telecommunications.

In the U.S., Olayan operates as Crescent Diversified Ltd. and Competrol Real Estate, located in New York. He owns just over 5% of C's First Boston, plus stakes in Chase Manhattan (5%), J.P. Morgan and First Chicago. At 72, he still calls the shots but has turned over some of the day-to-day operations of his $1 billion empire to his four children. –R.K.

Al-Rajhi family

When Iraq stormed Kuwait, panicky Saudi depositors stormed banks. Rumors swirled that Al-Rajhi Banking & Investment Corp. (assets, $4.9 billion) had a jet flown in stuffed with U.S. dollars to pay depositors.

Whether it's true or not, the rumor attests to the Al-Rajhi brothers' reputation for absolute business rectitude as well as religious devotion. Because the Koran proscribes interest, the brothers (Sulaiman, Saleh, Abdullah and Mohamed) benefit from very low cost of funds; their bank earns an astounding 6% return on assets. On the basis of the bank's value on the Saudi stock exchange, the Al-Rajhis' 50% is worth about $1.8 billion. Add to that over $1 billion made in the oil boom years.

The Al-Rajhis specialize in offering below-market rates to finance trade; so as not to earn interest, they buy their commercial customers' inventories and resell them at a markup. So far the brothers have dealt mainly with Japanese and European trading companies. But, according to Mardig Haladjian of Cyprus-based Capital Intelligence, the Al-Rajhis are now interested in developing links to U.S. import-export businesses. –R.K.

Kuwait City after the war
The cost of replacing stolen goods could reach $10 billion.

Suliman Olayan
Bringing Coca-Cola back to Saudi Arabia.

New mood in the Gulf

The Kuwaiti government may finally start serious work on rebuilding the country late this summer, or maybe fall. "But why should the private sector wait?" demands a Kuwaiti banker.

The Gulf war has changed Gulf attitudes, nowhere more than here. The private sector is as little as 20% of the total economy—the government owns the oil and most people are on an official payroll. But it is a crucial 20%. Kuwait imports almost everything, mostly through the private sector. The Iraqis looted everything, down to bathroom fixtures.

Shrewd businessmen smell opportunity. "I'm going to live in bad conditions, sacrificing my comfort so I won't miss out," says Sami Shammas, a modestly wealthy Kuwaiti contractor. He rushed home from the U.S. in early April, after signing up new U.S. suppliers. Now, the emergency phase over, only Kuwaitis may bid on contracts, which means foreigners must find Kuwaiti agents or partners. Kuwaiti merchants are scrambling to bring back employees and get to work.

The two Kuwaiti billionaire families—suspended from our list until the dust settles—sent members back home early. The Al-Ghanims' automobile distributorships reportedly lost 7,000 cars to the Iraqis. They have ordered more than 8,000 new ones, GM's single largest international order ever. Staffers scour the U.S. for other goods.

The Al-Kharafi family is even better situated. Their construction firm, one of the largest in the Middle East, already has a contract. Mohamed Al-Kharafi is chairman of the National Bank of Kuwait, the only bank whose assets were not frozen during the war. Over 20 branches are operating in Kuwait; the London office is issuing hundreds of letters of credit a day.

Then there's Saudi billionaire Suliman Olayan's ally, the old Kuwaiti merchant family Al-Sagar. A.H. Al-Sagar & Bros.' Wael Al-Sagar assesses the future. The invasion of Kuwait showed the Gulf Arabs how important political cooperation is in the region, he says. He foresees a kind of Gulf common market, because economic links can reinforce common political interests. Kuwaiti merchants, he says, would let other Gulf companies compete in Kuwait if they could compete elsewhere, too—a big departure from old protectionist habits. Al-Sagar says he's heard such talk from Saudis.

"The war," he says, "showed the cause is one and the fate is one." Cooperation between Arab states has been often discussed but seldom seen. Perhaps this time will be different. –R.K.

BILLIONAIRE

Saleh Abdullah Kamel

With an up-from-nothing fortune estimated at $1.1 billion, well-connected Kamel is new to the world billionaires fraternity this year. A former Ministry of Finance controller, Kamel, now in his 50s, joined a Saudi prince in a licensing deal with the U.S.' Avco Corp. (now part of Textron) in the 1970s and won government contracts to maintain airports and provide water and light to entire cities. One division of Dallah-Albaraka, Kamel's master company, holds the kingdom's only license to teach driving and give out permits.

A devout Muslim, Kamel started his own Islamic banking empire (Albaraka) in the early 1980s. (Islamic banks obey the Koran's stricture against *riba*, or interest, and instead make their money through fees and sharing in profits.) Kamel's Albaraka bank (1989 assets, $4 billion) supplies venture capital, and sometimes takes deposits, in underdeveloped countries with large Muslim populations, including Tunisia, Egypt, Mauritania, Sudan, Bangladesh and Pakistan. It does business in England, too. Albaraka also has offices in Chicago, Pasadena and Houston to invest in real estate, mergers and acquisitions, and to finance trade. It also works through Intercap Investments, a New York merchant bank specializing in Islamic banking. Kamel's brother Hassan runs the bank day to day.

Kamel knows the value of public relations. When Saddam Hussein occupied Kuwait and Kuwaiti dinars became worthless, Kamel offered Kuwaitis stranded outside the country preinvasion exchange rates. (Kuwait paid off 100%.) Suppose Kamel wants a bank license in Kuwait and seeks lucrative maintenance contracts. Many Kuwaitis will doubtless remember kindly the man who purchased their worthless dinars. –R.K.

BILLIONAIRE

Abdul Latif Jameel

Abdul Latif Jameel, now in his 70s, built a near-$2-billion fortune on his Toyota franchise; it remains the heart of his empire and accounts for 40% of the Saudi car market.

Investments in U.S. real estate (Jaymont Properties) and U.K. car distributors (Hartwell Plc.) may have problems, but Abdul Latif Jameel Co. made $3 billion in sales in 1990, partly thanks to Toyota truck orders

Abdul Latif Jameel **No complaints about Japan's contribution to the Gulf war.**

as one of Japan's contributions to the Gulf war.

Mohammed Jameel, one of three U.S.-educated sons, is learning the business. –R.K.

Bin Mahfouz family

The Bin Mahfouz family name has come up in reports of Clark Clifford's scandal-stained First American Bankshares. The Bin Mahfouz were big holders of BCCI, the money-laundering bank that appears to have secretly controlled First American. But the Saudi family is out; they sold their 20% of BCCI over a year ago. The heart of their fortune is 60% of National Commercial Bank (NCB), Saudi Arabia's largest bank (1989 assets, $23 billion). They also have a Luxembourg-based holding company for investments in the U.S. and Europe. In New York they own bond dealer Langdon P. Cook and Eastbrook, a trading company for Latin American and Asian produce.

NCB has been stuck with bad loans to lesser Saudi royals. Patriarch Salim Ahmed Bin Mahfouz is stepping aside; Khalid Bin Salim Bin Mahfouz, 44, one of the three brothers working at NCB, seems to be taking over.

The family is worth upwards of $2 billion. –R.K.

Juffali family

Through E.A. Juffali & Bros. (sales, $850 million), brothers Ebrahim, Ahmad and Ali Juffali represent some 60 foreign companies in Saudi Arabia, including IBM, Mercedes-Benz and Michelin, and have joint ventures with the likes of Siemens and Du Pont. This $1 billion family installed air conditioning in the king's Taif palace and still seems to enjoy the royal nod: The Juffalis' joint venture with Siemens recently won a contract for a cancer center for King Abdel-Aziz Hospital. Their foreign investment arm, Enpro International, is in New York. –R.K.

Lebanon

Safra brothers

The cosmopolitan Safras were born and bred in Beirut, fled to Brazil in the late 1940s and made most of their money in New York, Brazil and Europe. Edmond Safra controls 29% of $29 billion (assets) Republic New York Corp., a capital-rich holding company for Republic National Bank of New York. Republic also owns Manhattan Savings Bank. In Geneva Edmond directly owns 20% of Safra Republic Holdings (assets, $8.4 billion), while Republic New York has another 48.6%.

Last November, Edmond's younger brothers, Joseph and Moise, owners of Brazil's Banco Safra (assets, $2.2 billion), paid an estimated $35 million for a controlling interest in First International Bank of Israel ($3.5 billion), Israel's fifth-largest and most profitable bank.

What will the Safras, now worth more than $1 billion, buy next? Edmond Safra's Republic says it is looking to acquire banks in the greater New York area. –R.K.

Rafik B. Hariri

Rafik Hariri, 46, worth some $2.5 billion from Saudi Arabian construction contracts and maintenance projects, owns Houston's Texas Commerce Tower and pieces of French banks. A patriotic philanthropist, he has lent over $100 million, interest-free, to Lebanese students studying in the West. He's also financed nearly 20% of the student body in Lebanese universities. With the end of Lebanon's civil war, look for Hariri to play a major role in the country's reconstruction. –R.K.

Turkey

Vehbi M. Koc

Koc Group, Turkey's largest conglomerate (1990 sales, $9.4 billion; estimated net worth, $3 billion), is selling tea, cigarettes, flour, razor blades, even refrigerator parts to the Soviet Union through its trading company. It's also selling consumer goods on consignment in Hungary, Czechoslovakia and Poland. In fact, Turkey hopes to create a Black Sea Cooperation Zone consisting of itself plus the Soviet Union, Romania and Bulgaria. Explains a Koc trading company executive: "We want to enter the EC but we're frozen; we work with the Middle East and North Africa but they're unreliable; so we are flirting with the East. If we're refused com-

Vehbi Koc
Flirting with the East.

mon market status, at least we'll have found something."

Although Rahmi Koc, 59, runs the business, his father, Vehbi Koc, 90, who started as a grocer, is said to have the last word on big decisions involving the 99 Koc Group companies in everything from electronics to construction to banking to automobiles. Koc, a licensee of Peugeot and a joint venture partner with Ford and Fiat, sold a whole year's worth of cars in the first six months of 1990, before the Gulf war spooked the Turkish market. –R.K.

Nejat F. Eczacibasi and family

Nejat is another new name among the world's billionaires. In 1909 the Izmir city council bestowed the title of Eczacibasi, or head pharmacist, on Nejat's father. Some 40 years later Nejat founded Turkey's first pharmaceutical plant. Today Eczacibasi Holding A.S. (1990 sales, $1 billion) is a major conglomerate, with 30 companies in pharmaceuticals, personal health care and industrial raw materials. The company's estimated worth is upwards of $1 billion.

Nejat Eczacibasi
Turkey's biggest pharmacist.

Nejat studied chemistry at the universities of Heidelberg, Berlin and Chicago. During World War II he won fame for producing a vitamin unavailable at the time. After the war Eczacibasi produced drugs under license from Upjohn and other big foreign drugmakers. With two pharmaceutical factories built, he branched out into personal care products and industrial raw materials. Joint venture deals with Procter & Gamble (diapers and feminine hygiene products) and James River Corp. (tissue paper) followed.

Like the Koc Group, Eczacibasi eyes the Soviet market. "The Middle East is 100% unreliable," says an executive, "the Soviet Union, only 50%."

Nejat, 77, is still Eczacibasi's chairman but brother Sakir, 62, and son Bulent, 42, run the business. Son Faruk, 37, oversees their small computer business. Now a patron of the arts in Istanbul, Nejat plays the violin and collects Turkish paintings. He started Istanbul's Foundation of Culture & Arts, which has hosted the New York Philharmonic and the Bolshoi Ballet. –R.K.

Sabanci brothers

Sabanci Holding A.S., Turkey's second-largest industrial conglomerate (1990 sales, $3 billion), is forging more overseas links: with Du Pont to make industrial yarn; with Toyota and Mitsui to produce 100,000 cars a year in Turkey; and with Philip Morris to make Marlboros, Chesterfields and Parliaments. Founded in the 1930s by Haci Omer Sabanci, the company is run by his five sons. Sakip, 58, is chairman; Haci, 57, runs food, cement and textiles; Sevket, 56, international; Erol, 55, banking and insurance; and Ozdemir, 54, automotive and plastics. Last year the family bank, Akbank, went public on the frail Istanbul stock exchange.

The brothers' fortune is estimated at $1.5 billion. –R.K.

Citizen of the World

The Aga Khan IV

The Aga Khan, spiritual leader of 15 million Ismailis and recipient of an annual 12% of their income—a tribute known as *zakat*—maintains a comfortable lifestyle on his estate in Aiglemont (outside Paris) with his wife and their three children. He owns about 700 racehorses and 7.5% of Giovanni Agnelli & Co., which indirectly holds Fiat's stock. Through his own holding company, Fimpar SpA, the Aga Khan has 50% of Milan-based Ciga SpA, a group of 36 luxury hotels throughout Europe, and controls two small Italian airlines, Alisarda SpA and, through it, Avianova.

The Aga Khan, 54 and a Harvard alum ('59), is also reputed to have a huge stock portfolio. –M.K.

The Americas

Colombia

Pablo Escobar Gaviria

Following the Ochoa brothers' example, cocaine kingpin Pablo Escobar Gaviria turned himself in once the Colombian government assured him that he would not be extradited to the U.S. On June 20 he checked into a mountaintop prison overlooking his hometown of Envigado. The drug lord, as part of a decade-long patronage effort, donated the site as a university campus. Escobar has been accused of ordering the murders of judges, policemen and anyone else who got in his way. A lot of people have scores to settle with him. He had the "prison" built to protect himself.

"A great many Colombian policemen are making a fortune protecting Pablo Escobar, another great many are making money chasing him," said cocaine industry analyst Rensselaer Lee last month. "It's almost as if Pablo Escobar represents everyone's vested interest in maintaining the status quo."

Despite the Colombian government's recent crackdown on the cocaine cartel, much of Escobar's distribution network remains intact. The government may not want to destroy it altogether. The billions of *narco* dollars flowing back into Colombia give that country one of the strongest economies in Latin America. When the authorities attack, say Drug Enforcement Agency sources, Escobar and friends fall back on long-hidden stocks of cocaine, and new traffickers appear to fill any supply shortfalls. First among them, the Cali cartel, less violent, less threatening to the Colombian government, and little damaged so far. There are many others. The "democratization" of the cocaine trade may be the main legacy of Colombia's crackdown.

Escobar, 41, is the most blood-stained *narco*, and also the richest. Impossible to measure precisely, but a multibillionaire. –J.M.

Ochoa family

Sitting on one of Latin America's biggest fortunes, the violent Ochoa brothers negotiated their surrender to Colombian authorities starting last December. They now run their lucra-

Drug king Pablo Escobar Gaviria and some Colombian holdings: a Medellin hacienda (left) and a private zoo

"A great many Colombian policemen are making a fortune protecting Escobar."

tive cocaine producing and exporting enterprise from comfortable prison cells in Bogota, beyond the reach of U.S. justice. Last month Colombia's parliament approved a new constitution that bars the extradition of Colombian criminals.

"The Colombians have never shown much interest in prosecuting the Ochoas," says Richard Gregorie, the former South Florida prosecutor who spent most of his career with the Justice Department trying to bring them to trial in Miami. The brothers—Jorge Luis, 41, Juan David, 43, and Fabio Ochoa, 34—were among the first "extraditables" to make peace with the Colombian government; their father, Fabio Sr., 67, supposedly retired, remains unjailed.

According to Drug Enforcement Agency sources, the seizure of Ochoa-owned assets in Colombia seems not to have dented the Ochoas' fortune, estimated at over $2 billion. "At most only about $230 million in property has been seized" from all the traffickers, the Ochoas included, says one source. And most of that has been returned on appeal to front operatives who have claimed title.

As cocaine use slows in the U.S., the Ochoas and other *narcos* have increased shipments to Europe and are testing the Far East. While 1990 was hardly a banner year, cocaine remains a lucrative business for Colombia—and will as long as a kilo can be delivered in Miami for $10,000 and sold wholesale for $20,000, as is the case now. –J.M.

LEFT: Ermirio de Moraes **Collor supporter turns tough critic.**

ABOVE: Roberto Marinho **Profits roll on soaps and soccer.**

Brazil

Ermirio de Moraes family

"Brazil," a national slogan goes, "is the country of the next century." Many add: "And always will be."

The old quip has a sour ring this year. By first seeking to vanquish inflation by cutting public spending and freezing private speculation and prices—and then losing his nerve halfway—President Collor has mainly succeeded in giving Brazil both hyperinflation and a deep recession.

Antonio Ermirio de Moraes, 63, who controls his family's $1.6 billion (book value) Votorantim, Brazil's biggest private conglomerate, was a strong backer of Collor. Now he is a bitter critic.

"Months of turmoil" is what Ermirio de Moraes predicted for Brazil in October, when Collor announced a one-year freeze on bank deposits. Turmoil for Votorantim, certainly: Some $500 million in its cash was frozen, at least until late this year. Votorantim has laid off 3,000 employees and cut back investment. "Businessmen should forget about investing here," he gloomily told reporters. Votorantim's money is supposed to be released in stages, but many think the impoundment will prove an effective form of taxation. No developing economy needs to increase taxes. –J.M.

Roberto Marinho

Marinho, 86, owns Brazil's Rede Globo, the world's fourth-largest TV network (after ABC, CBS and NBC). He has long been at the center of Brazil's political ring. There are long-standing ties between him and the family of Brazilian President Fernando Collor de Mello.

Rede Globo emphatically endorsed Collor de Mello when he ran for president in 1989. But its support for Collor sympathizers in local and state elections last October was at best lukewarm. The pro-Collor slate was crushed.

Marinho says he still backs President Collor and his harsh economic austerity plan, even though it hurts Marinho's interests in magazine and newspaper publishing, cattle ranching and real estate. But losses there have been offset by gains in broadcasting. TV ad revenues were up again last year, thanks to Brazil's love affair with soccer; Globo broadcasts the World

Cup soccer matches. Newly divorced and still active in his many businesses, Marinho faces Brazil's recession with deep pockets. His fortune is worth upwards of $1 billion. –J.M.

Sebastiao Camargo

The government construction projects for Camargo's $5 billion (sales) construction empire, Camargo Correa, have dried up under Brazilian President Fernando Collor de Mello's anti-inflation policies. So Camargo, worth $1 billion, is diversifying. One investment: part of Alpargatas, Latin America's biggest apparel maker.

The company's leadership may be changing, too. Last year Sebastiao Camargo, 82, announced his successor, longtime employee Werner Schmidt Rehder. In mid-June the heir apparent was kicked upstairs to an advisory board while the old man resumed his duties as president. One of his three sons may eventually run the company. But, with 93% of the stock, family control is safe. –J.M.

Mexico

Carlos Slim Helu

In 1982 Mexico's economy collapsed, banks were nationalized, the stock market crashed and panicky Mexican businessmen started dumping their companies. Carlos Slim Helu bought. As a result Slim, 51, and new among the billionaires this year, is probably the richest businessman in Mexico. His family's 70% stake in holding company Grupo Carso (13.5% is public) plus other holdings were recently worth $1.7 billion.

Carlos Slim Helu
When Mexicans panicked, he bought.

The son of a Lebanese immigrant, Slim was born in Mexico City and worked in his father's general store. He studied civil engineering and taught algebra at Mexico City's UNAM. But in 1965 the entrepreneurial itch won out: Slim started a construction and real estate business and a stock brokerage firm, Inbursa.

In 1976 Slim bought a small printer of cigarette pack labels. Five years later he bought one of its biggest customers, Cigatam. Cigatam had only 27% of Mexico's cigarette market. But one of its licensed brands was Marlboro. By improving distribution and beefing up advertising, Slim used Marlboro to build Cigatam's share to 42%. (Philip Morris has a minority interest in Slim's company.)

After others panicked in 1982, Slim used the cash flow from his cigarette business to buy Segumex, an insurance company. He later bought a candy company, a paper company, a restaurant/department store chain, a mining company, a copper producer and other businesses. He's still buying. Last December he closed his biggest deal yet when he and partners Southwestern Bell and France Telecom paid $1.8 billion for 20.4% of Telefonos de Mexico, Mexico's telephone company. Mexico has only 6 telephone lines per 100 inhabitants (versus 53 per 100 in the U.S.), so there's plenty of room for growth.

Slim, a shy fellow who likes Cuban cigars, devotes his mornings to Cigatam and his other companies, and his afternoons to Telmex. He tries not to get involved in the minutiae. "My work is to think," he explains. –C.P.

Garza-Sada family

Under Mexico's market-oriented President Carlos Salinas de Gortari, the Mexican economy is rapidly entering the late-20th century. Monterrey's powerful Garza-Sada clan is well positioned to benefit from the changes taking place. The family-controlled plastics and chemical power, Grupo Cydsa, has launched a new water treatment division, Altatec, just as environmentalism is becoming a pressing issue. Altatec will clean up industrial sites and bid for municipal water treatment contracts. The cost of cleaning up decades of industrial pollution in Mexico City is estimated at over $20 billion.

Paul Reichmann, co-owner of London's Canary Wharf (top) and Toronto's First Canadian Placé
Successfully juggling stock and real estate.

One family member, Javier Garza Calderon, lost a bid last December for part of Telmex (Telefonos de Mexico), Mexico's newly privatized telephone monopoly; he was outbid by Carlos Slim Helu *(which see)*. The family's majority-owned steel and petrochemical combine, Alfa, may have more luck when the state's steelworks are privatized later this year.

Through their diversified, publicly held Visa (which, among other things, brews Dos Equis and Tecate beer), the Garza-Sadas once held 77%

of big Banca Serfin. It was nationalized in 1982 and is slated to be reprivatized in the next year. This $2-billion-plus family (which also has a piece of Monterrey's biggest insurance company and the U.S.' Anchor Glass) might yet get Serfin back.–J.M.

Venezuela

Cisneros family

With 25% inflation and a Venezuelan economy still wobbly from the 1980s oil bust, Caracas' billionaire Cisneros family is expanding overseas. In the U.S. the Cisneros brothers—Gustavo, 46, and Ricardo, 42—and their Organizacion Diego Cisneros own Spalding Sports Worldwide, the sporting goods concern, and Evenflo, the maker of baby products. They're on the hunt for other U.S. properties.

The family's Venevision—a radio and television network with 56% of the Venezuelan market—is active in the U.S. Latino market, and is selling Spanish-language programming in Spain. "A good program, like a soap opera, can be worth five times in Spain what it makes in the United States," brags a family factotum. Last year Venezuelan soaps topped the charts in Spain.

At home the brothers are involved in a $1 billion aluminum smelter partnership with France's giant Pechiney and three Italian firms. The Cisneros boys also inked a $100 million deal with PepsiCo's Frito-Lay to make snack food. Organizacion Diego Cisneros is Venezuela's exclusive Pepsi bottler, and licensee for Sears, Gerber, NCR, Digital Equipment and Apple Computer.

Even in a weak economy, the Cisneros fortune now tops an estimated $1.7 billion. –J.M.

Canada

Paul, Albert and Ralph Reichmann

Adam Murza, a property analyst, sharpened his pencil for us and tackled the Reichmann brothers' $6-billion-plus Canary Wharf project in London.

It is the world's largest commercial development and will have about 5 million square feet up by the end of the year, building toward 12 million—20% larger than Manhattan's gargantuan World Trade Center. This project is 100%-owned by the Hungarian-born Reichmanns, now Canadian citizens. Their Olympia & York has already sunk some $2 billion into it. Canary Wharf was designed as a refuge from the rising rents and shortage of space in London's city center, 2½ miles away. But the completed sections are only 53% rented, and competing rents in central London are falling. It is doubtful Canary Wharf will see positive cash flow until after the year 2000. Analyst Murza estimates Canary Wharf will be about $95 million in the red this year.

Are the Reichmanns in trouble? Don't bet on it. The London property recession may be worse than they expected, but that doesn't mean they are running out of cash. Dividends from their nearly $4 billion blue-chip North American stock portfolio, which includes some of Canada's largest companies, would alone cover Canary Wharf's deficit. Then there are tens of millions from their extensive realty holdings in the U.S. and Canada. Having fled wartime Hungary for Morocco, and then built a fortune in Canada, the Reichmanns are old hands at a judicious mixing of boldness and prudence. –T.G.

Charles Bronfman

Citing baseball players' ludicrous salaries (but suffering from bad trades), Bronfman, 60, sold his Montreal Expos in June. Insiders say he's also unhappy with the 17% stake held in Cineplex Odeon, the ailing theater chain, by one of the investment com-

Charles Bronfman (r.) and Buck Rodgers
Au revoir to the Montreal Expos.

panies in his Claridge Group.

Bronfman is doing better with his Israeli investments. These include ECI Telecom; Teva Pharmaceutical; Luz International, a solar energy company; Optrotech, in electronics; and Osem, a big food company. After losing out to fellow Canadian Conrad Black in a bid for the *Jerusalem Post*, Bronfman is backing the new *Jerusalem Report*. Meanwhile, his 17% of Seagram Co. is worth some $1.7 billion and rising. –T.G.

Eaton family

Making cautious, conservative investments in Canada with minimum debt has paid this venerable family and its 122-year-old retailing chain and real estate empire well. Especially now.

Canadian property values are down, but less than in the overbuilt U.S. "The market in Canada is controlled," explains Michael Young, at Toronto- and Dallas-based Gordon & Young. "There are a well-defined number of retailers, financial institutions to finance them and markets. It is harder to overbuild."

The Eatons' retail stores and shopping centers are developments in the very best locations in each of the nation's nine largest cities, so rents stay high, vacancy rates low. Their values have held up better than most, analysts say.

The business stays private: 95 department stores, estimated sales more than $1.7 billion; and the real estate joint ventures in which the Eatons own up to 50%. All this is run by four brothers, great-grandsons of the founder, Irish immigrant Timothy Eaton: Fredrik Stefan, 53; George Ross, 45; and, at the family holding company, John Craig, 54, and Thor, 48. The family is taking one visible hit from recession and increased market fragmentation: Its 53% of Baton Broadcasting was lately worth $87 million, down more than 50% from its 1989 high. While the Eatons control Baton they don't manage it. –T.G.

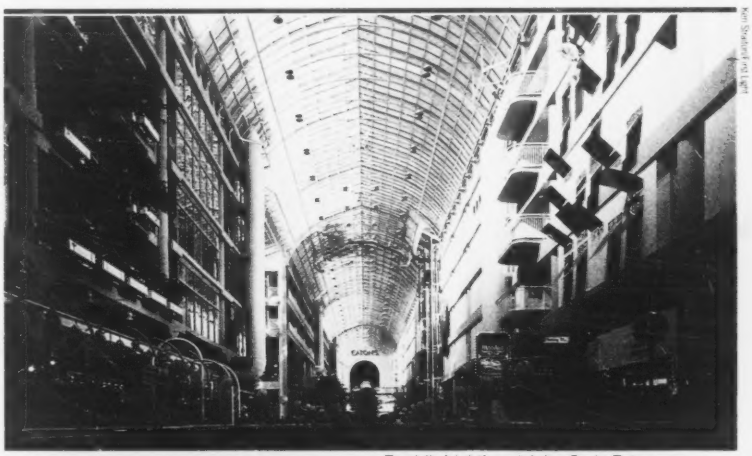
Irving family

The New Brunswick-based Irving family is known for its get-tough tactics, often intimidating competitors and unions to achieve its goals.

Kenneth Colin Irving, 92, started what is now a $5 billion fortune selling gas in 1924. Sons James, Arthur and Jack (known as Oily, Greasy and Gassy, respectively) now run the energy-to-timber-products conglomerate with their father's tough policies.

The boys are taking on New Brunswick's McCain brothers (who quit old K.C. in 1956 to go on their own) in frozen French fries. Last year the Irvings announced plans to expand right across the highway from the McCains' flagship plant—a move partly financed with government assistance in order to lower the cost of capital.

On other fronts, a bitter 11-month strike in an Irving paper mill ended



Fredrik (right) and John Craig Eaton
The family's flagship store, Toronto Eaton Centre.

only recently. And the Irvings' Saint John Shipbuilding is playing hardball in the courts against a defense subcontractor, Le Groupe MIL. Each is suing the other regarding Saint John's $5.5 billion frigate contract from the Canadian government. MIL doesn't have the financial wherewithal to lose this battle; Saint John does. MIL's president calls Saint John's lawsuit an attempt to squeeze out its only major Canadian competitor.

In the U.S. the Irvings have expanded their roughly 3,000-gas-station empire into Maine, New Hampshire and Vermont but are shying away from competitive Massachusetts. Folks who do business with the sons say at least one of them cares more about public relations than the old man did. That's good: It looks like the family will need the help. –T.G.

Weston family

After years of piling up cash, Associated British Foods Chairman Garry Weston, 64, made his move: Early this year he paid some $1.4 billion for British Sugar, Europe's third-largest sugar refiner. It is a company he has coveted for years. The seller, Berisford, was desperate for cash to cover debt payments on several bad New York and U.K. real estate investments. Others were interested—including Italy's billionaire Ferruzzi family *(which see)*—but only Garry could pay the price immediately, and in cash.

Gloated London-based Weston to FORBES: "Cash is king at moments like this, and that is what we have been waiting for." Perhaps he was thinking of critics who called him "too unaggressive" as he waited with his cash.

Brother Galen, 50, is supposed to be the aggressive one. He runs Toronto-based George Weston Ltd., which is the family's flagship and majority owner of Loblaw Cos., the major diversified food and supermarkets group. Loblaw has restructured its hypermarkets, okay out West but a flop in urban eastern Canada.

Lately Galen has been building a 412-acre seaside community just north of Vero Beach, Fla. He and his polo pal, Prince Charles, inaugurated the development's two polo fields during the U.S.' January-to-March 1989 season.

Family stock in ABF and George Weston is worth $3.5 billion, of which, perhaps not coincidentally, $2.5 billion is brother Garry's. –T.G.

Kenneth Roy Thomson

Now 67, Kenneth Roy Lord Thomson of Fleet seems satisfied that the family has again produced a capable male heir. In May 1990 son David, 34, moved from helping fix Hudson's Bay Co. (the Thomsons own 73%) to become deputy chairman of the Woodbridge Co., a holding company responsible for managing the family's $6.8 billion fortune.

With its media holdings—small-town papers and information publications like *Jane's Fighting Ships*—occupying easily defended market niches, Thomson Corp.'s market value has held up better than most media companies. Its U.K. travel business is surviving competition and making money. This family has always kept its eyes focused on the bottom line. –T.G.

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Still number one

Despite the recession, the U.S. still accounts for more $1-billion-plus fortunes than the next two countries combined. There are 64 identifiable individual American billionaires (versus 67 last year) and 32 billionaire families (37 last year). Altogether, they're worth $207 billion, enough to keep the government in business at least a couple of months. Japan ranks second, with 41 fortunes worth at least $1 billion. Germany is third, with 37. The U.S. billionaires will be updated in October in the tenth annual Forbes Four Hundred.

Name/Source of wealth	Net worth ($billions)
Kluge, John Werner/Metromedia	$5.6
Buffett, Warren Edward/Stock market	4.4
Gates, William Henry III/Microsoft	4.4
Devos, Richard Marvin/Amway	4.2
Van Andel, Jay/Amway	4.2
Walton, Sam Moore/Wal-Mart Stores	3.7
Walton, Alice L./Inheritance (Wal-Mart Stores)	3.7
Walton, Jim/Inheritance (Wal-Mart Stores)	3.7
Walton, John T./Inheritance (Wal-Mart Stores)	3.7
Walton, S. Robson/Inheritance (Wal-Mart Stores)	3.7
Perelman, Ronald Owen/Leveraged buyouts	2.9
Wexner, Leslie Herbert/The Limited, Inc.	2.9
Hillman, Henry Lea/Industrialist, venture capital	2.7
Redstone, Sumner Murray/Movie theaters, investments	2.7
Anthony, Barbara Cox/Inheritance	2.6
Chambers, Anne Cox/Inheritance	2.6
Newhouse, Samuel Irving Jr./Publishing, cable TV	2.6
Newhouse, Donald Edward/Publishing, cable TV	2.6
Pritzker, Jay Arthur/Financier, manufacturing	2.5
Pritzker, Robert Alan/Financier, manufacturing	2.5
Arison, Ted/Carnival Cruise Lines	2.4
Bronfman, Edgar Miles/Seagram Co.	2.3
Perot, Henry Ross/Electronic Data Systems	2.2
Taubman, A. Alfred/Real estate, art	2.1
Allen, Paul G./Microsoft	2.0
Koch, Charles de Ganahl/Inheritance (oil services)	1.9
Koch, David Hamilton/Inheritance (oil services)	1.9
Feeney, Charles F./Duty Free Shoppers	1.9
Mars, Forrest Edward Sr./Candy	1.7
Mars, Forrest Edward Jr./Candy	1.7
Mars, John Franklyn/Candy	1.7
Vogel, Jacqueline Mars/Candy	1.7
Anschutz, Philip Frederick/Oil, railroads	$1.7
Annenberg, Walter Hubert/Publishing	1.7
Packard, David/Hewlett-Packard	1.7
Helmsley, Harry Brakmann/Real estate	1.7
Bren, Donald Leroy/Real estate	1.6
LeFrak, Samuel Jayson/Real estate	1.6
Bass, Robert Muse/Oil, investments	1.6
Davis, Marvin Harold/Oil, entertainment, real estate	1.6
Crown, Lester (and family)/Inheritance, industrialist	1.5
Hunt, Ray Lee/Inheritance, oil, real estate	1.5
Murdock, David/Investments	1.5
DeBartolo, Edward John/Shopping centers	1.4
Bechtel, Stephen Davison Jr./Engineering, construction	1.4
Bass, Lee Marshall/Oil, investments	1.4
Bass, Sid Richardson/Oil, investments	1.4
Ludwig, Daniel Keith/Shipping, real estate	1.4
Getty, Gordon Peter/Inheritance (oil)	1.3
Stern, Leonard/Pet supplies, real estate	1.3
Kerkorian, Kirk/Investments	1.3
Tisch, Laurence Allan/Loews Corp.	1.2
Tisch, Preston Robert/Loews Corp.	1.2
Rockefeller, David/Inheritance, banking, real estate	1.2
Cargill, James R./Inheritance (Cargill)	1.1
Cargill, Margaret/Inheritance (Cargill)	1.1
Cooke, Jack Kent/Real estate, investments	1.1
Carlson, Curtis Leroy/Entrepreneur	1.1
Ziff, William Bernard/Publishing	1.0
Hill, Margaret Hunt/Inheritance (oil)	1.0
Gaylord, Edward Lewis/Media, real estate	1.0
Icahn, Carl Celian/Financier	1.0
Knight, Philip Hampson/Nike	1.0
Turner, Robert Edward (Ted) III/Turner Broadcasting System	1.0

U.S. family fortunes estimated at over $1 billion

Name/Source of wealth	Net worth ($billions)
du Pont/Inheritance (Du Pont)	$10.0
Rockefeller/Oil	5.2
Dorrance/Campbell Soup	5.2
MacMillan/Cargill, Inc.	4.4
Mellon/Inheritance	4.4
Hearst/Inheritance (media)	4.3
Milliken/Textiles	3.0
Haas/Levi Strauss	2.6
Busch/Anheuser-Busch	2.5
Upjohn/Inheritance (Upjohn Co.)	2.0
Phipps/Inheritance (steel)	1.9
Hughes/Inheritance	1.8
Lauder/Cosmetics	1.6
Disney/Walt Disney Co.	1.5
Ford/Inheritance (Ford Motor)	1.5
Rudin/Real estate	1.5
Hall/Hallmark Cards	$1.5
Reed/Timber	1.4
Wattis/Inheritance (Utah International)	1.4
Nordstrom/Retailing	1.4
Kleberg/King Ranch	1.3
Blaustein/Inheritance (oil)	1.3
Scripps (E.W.)/Inheritance (newspapers)	1.3
Davis/Winn-Dixie	1.3
Chandler/Times Mirror	1.3
Bancroft/Inheritance (Dow Jones)	1.2
Allen/Stock market, real estate	1.1
Field/Inheritance, media	1.1
Hoiles/Publishing	1.1
Pitcairn/Inheritance (glass manufacturing)	1.0
Lilly/Pharmaceuticals	1.0
Collier/Real estate	1.0

Japan

real estate

LEFT:
Yoshiaki Tsutsumi with Prime Minister Kaifu
Ah, connected.

RIGHT:
Taikichiro Mori
Yield 2% to 5%. Mortgage 8%. Result: trouble.

Yoshiaki Tsutsumi

Tsutsumi may no longer be the world's wealthiest businessman. Then again, he just might be by far the richest. Here's the tale:

FORBES' estimate of Tsutsumi's wealth has been edging down over the years—his Seibu Railway stock ($27 a share) fell, we've found some debt, and the yen is off its peak. Tsutsumi, once worth over $18 billion by our estimates, looks more like $14-billion-plus. Meanwhile, Taikichiro Mori *(see below)* edged up, to $15 billion.

So Mori's the richest, right?

Not necessarily. Tsutsumi's wealth is held through his holding company, Kokudo Keikaku. His direct ownership is 40%, which is the basis for our estimate of his fortune. Trouble is, FORBES has never been able to figure out who owns the other 60%. There is speculation that some—maybe all—is controlled by Yoshiaki Tsutsumi. If so, he's worth close to $35 billion.

Now 57, Tsutsumi inherited his vast real estate-based fortune from his father, who founded Seibu Railway and accumulated huge land holdings at end-of-World-War-II prices. He takes risks—witness his big resort projects in isolated areas of the nation where Japanese have not traditionally traveled—but he finances them conservatively. Keiji Onuma, in a recent book on Tsutsumi, suggests that Seibu Group uses Tsutsumi's political connections to secure cheap loans from government-affiliated banks for regional development.

Onuma thinks Tsutsumi is entering tougher times. Seibu Group, he argues, is overcentralized, and the huge Japan Railways companies are starting to compete with Tsutsumi in the resort business. The good news for Tsutsumi is that the 1998 winter Olympic Games will be held in Nagano, where he has a lot of resort property. At $14 billion—or $35 billion—the Tsutsumi fortune will not vanish. But making it grow will become more difficult. –G.E.

Taikichiro Mori

Mori, 87, has accumulated $15 billion worth of real estate assets in his hometown of Minato-ku, a top Tokyo business district. But he's worried about the future. Tokyo land prices have climbed so high, he tells FORBES, that returns on office building investments have dropped to 2% to 5%.

"Let's say you buy office building lots for ¥25 million per square meter in Minato ward [$17,294 per square foot], for a seven-floor building," says Mori. After construction costs, the total investment will be $5,000 per square foot of rentable space. Typical rent is $165 per square foot per year. The yield: about 3%. That's before maintenance and taxes—and debt. With Japanese mortgage rates at 8%, only buildings on inexpensive land, financed with lots of equity, can carry themselves. "Unless you acquire cheaper lots, it's impossible to make money buying land and putting up buildings in Tokyo," says Mori.

Mori himself is in relatively good shape. With a more than 25-acre reserve of undeveloped land in Tokyo and his office rents rising, Mori still develops new buildings. But, he says, "It's sort of gambling" on rents' continuing to rise. And Mori has never been much of a gambler. –H.A.

Kitaro Watanabe

Watanabe, whose main company is Azabu Building, is known to Americans as the supplier of funds to corporate raider T. Boone Pickens for his purchase of 26.4% of Japan's Koito Manufacturing. (According to Japanese press reports, Pickens sold the stock back to Watanabe in June at the same price at which he purchased it.) The Japanese press called Watanabe the "alchemist" for his apparent ability to create wealth from rank speculations in stock and land in the late Eighties.

But the party is over for 57-year-old Watanabe. Azabu Building said in January its banks will force it to sell much of its property, especially in Tokyo, to reduce borrowings by $1.5 billion and stanch negative cash flow.

Azabu is land rich. It has Tokyo property worth perhaps $12.1 billion even at current prices, and debt of around $4.4 billion. The problem is, Japan's property market has ground almost to a halt as the Ministry of Finance has clamped down on real estate loans, and the Bank of Japan has jacked up interest rates. Moreover, Watanabe owns a lot of scattered small sites off main streets. They're great to own when people are bidding eagerly to assemble big building sites; terrible now.

FORBES obtained an Azabu Building balance sheet (for the 1988-89 fiscal year), which showed only $127 million cash and $425 million securities left in liquid assets—and that was over a year ago. Azabu Group has to pay over $750,000 interest per day. "It might be pretty soon that Azabu won't be able to pipe cash into the interest payments," worries a source at one of Watanabe's lenders. But for now Watanabe remains, on paper, a billionaire. –H.K.

Eitaro Itoyama

Bounced out of the Lower House in the 1990 elections, Eitaro Itoyama, 49, is paying more attention now to Shin Nihon Kanko Kogyo, his company that runs golf courses and other leisure facilities, and to the substantial real estate holdings he inherited from his father.

The holdings are probably worth $2.9 billion, net. He also owns a large investment portfolio that was built, he tells FORBES, mainly after the 1990 stock market collapse. "It's the time for moneymaking, when many neighbors [i.e., market participants] earn losses."

Itoyama says Donald Trump approached him last year to buy New York's Plaza Hotel. Itoyama says he said no, figuring further declines in real estate in New York were "unavoidable." (A spokesman for Trump avers: "The Plaza has never been for sale.")

Itoyama plays tennis and watches marathons, which he compares to life. "There are ups and downs of fortune in a long life," he says. "Trying to run the whole distance is the most important." –J.I.

Genshiro Kawamoto

When other Japanese property billionaires were buying U.S. office buildings and hotels, Kawamoto, 59, invested a total of $700 million to buy and build houses in Hawaii and in California's Santa Rosa and Sacramento areas. His rationale: liquidity. "I will never buy the property which cannot be sold easily," he says. "You may have to sell your property sometime. And when you think of it, who can buy an office building or a hotel at astronomic prices?" But Kawamoto is more a holder than a seller. Except on Maui, all his U.S. houses are for rent.

In Japan, Kawamoto's Marugen K.K., worth over $1.2 billion, owns thin "pencil" buildings, full of bars

Genshiro Kawamoto
The search for liquid land.

and night spots, that dot the Ginza. But he has no interest in Japanese residential real estate. "It's impossible," he explains, "in Japan for a landlord to cancel a lease for his own benefit." –H.A.

Masao Nangaku

The founder and owner of Minami Group, Masao Nangaku, 72, built a $1.3 billion fortune out of consumer electronics shops and astute real estate investments. In the late 1980s he bought a German castle, a collection of jeweled sculptures by Dali, Hawaiian forests and Las Vegas' Dunes Hotel & Country Club. The Nevada Gaming Commission finally granted him a permanent casino license last April. Several weeks later he reportedly began negotiating the sale of the Dunes property. –H.K.

Tada family

Katsumi Tada—personable, energetic, and new on this year's list—had a flash early in life: "I didn't want to become a salaryman." So in 1974, at age 28, he started what became Daito Trust Construction in Nagoya. Daito thrived by carving out a smart niche: urban farmland development.

Japanese cities are dotted with undeveloped parcels. They are often planted with fruit trees or other crops, to qualify as "farms," which are subject to minuscule property taxes. But when the owner dies the land is taxed at huge rates. Tada's firm helps older landowners reduce estate taxes by developing their plots. Average age of Daito's clients: 70. He offers one-stop service: construction and rental management and tax planning.

Tada and family's shares in Daito Trust Construction were recently worth $2.3 billion, and demand for his services is likely to keep growing fast. Pressure is building in Japan to end the urban farmers' tax breaks, so as to ease the pressure on property prices. Tada sees a downside to a bigger market. "More companies will be attracted and there will be more competition," he worries. But with virtually no debt and nearly $600 million in cash, Tada will be no pushover. –G.E.

Hirotomo Takei

On June 11, Tokyo police arrested Takei, 70, and charged him with evading taxes on some $40 million in profits from stock trading in 1987-88. Takei allegedly bought and sold shares on the basis of inside information provided by Mitsuhiro Kotani, a wheeler-dealer arrested and on trial for alleged security violations and blackmail related to two listed firms. Kotani's scandal brought down several ranking businessmen, but none had profited more than Takei. His Chisan group of over 25 companies—in real estate, hotels, golf courses, restaurants, food and publishing—is still worth $4.5 billion. But his honor is in shreds. Asked to comment on the relationship between Takei and Kotani in the spring, a Takei associate said: "Everything will be disclosed within a month." –H.A.

Yoshimoto family

Anyone who doubts a credit crunch is squeezing Japan's real estate market hard should talk to big Osaka landlord Haruhiko Yoshimoto. "Mr. [Yasushi] Mieno, governor of the Bank of Japan, is one of the really bad guys in this world, along with Saddam Hussein," grouses Yoshimoto. He adds that Japan will face real recession unless the Bank of Japan drops interest rates (the current discount rate is 6%) or the Ministry of Finance quickly lifts restrictions on real estate borrowings. The crunch, Yoshimoto confides, forced him to withdraw from a construction project near Osaka's new airport, and to stop building a resort in southern Japan.

Even with Osaka real estate values down perhaps 30% on average in the past year, the family property holdings are worth around $3 billion. But Yoshimoto says he is considering diversifying—into computer components manufacturing. –H.K.

Heizo Kobayashi

"There is nothing more terrifying than a debt, a fool or a leak in a roof," Kobayashi, 78, told FORBES. No fool, his buildings don't leak and he has no debt; his $1 billion worth of properties in Shinjuku, a bustling Tokyo entertainment and shopping district, are virtually unleveraged.

Born the seventh son of a farmer, Kobayashi arrived in Tokyo in 1931. He opened a charcoal shop and later, after the war, pachinko parlors, restaurants, a supermarket. The cash flow went into buildings. To circumvent some of the tough laws regulating landlords, he likes to set his tenants up in business, taking 20% of their sales as rent. Unlike Shinjuku's fashionable buildings, Kobayashi's Sanpei buildings are somewhat shabby. "Perhaps it's time for refurbishing," he sighs. "But I hate to borrow money." –H.A.

Takenaka family

The Takenaka family, worth an estimated $5.4 billion, traces its roots to a 17th-century samurai. These days the Takenakas often build abroad, but their company, Takenaka Komuten, makes most of its money in the pro-

tected Japanese market. Renichi Takenaka, 80, is chairman. President is his son Toichi, 48, who earned his M.B.A. from the University of Michigan. –N.H.

Yoneichi Otani and family

Yoneichi Otani, 75, and family are worth $5 billion, mostly from Hotel New Otani, one of Japan's biggest hotel chains. The New Otani chain, which now numbers 14 hotels in Japan and 4 overseas, including hostelries in Los Angeles, Honolulu and Singapore, was started by Yoneichi's father, a onetime sumo wrestler. The real wealth is not in the hotels themselves, but in the valuable Japanese land under them. –H.A.

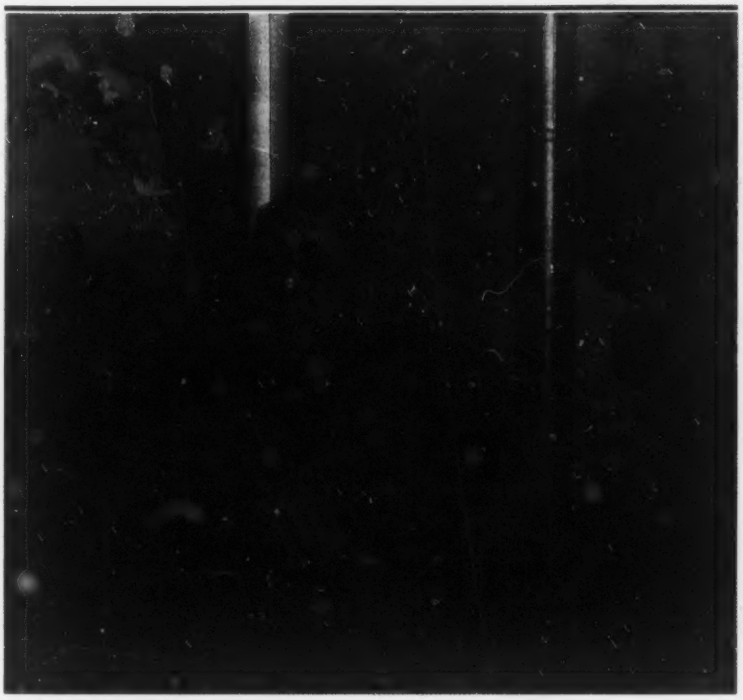
Tamesaburo Furukawa

At 101, Furukawa is the world's oldest known billionaire. He still heads the Herald Group he founded. It imports U.S. movies and produces Japanese movies; owns and operates theaters; manages resorts and restaurants. Several grandchildren in the family-held business are cautiously branching out into producing rental videotapes and programming for cable television.

Furukawa says he plans to live to 120. Don't bet against him. His day starts around 5 o'clock and he devotes his first hour to lightly exercising his limbs and massaging his face. Other secrets? "Not to worry, do work that serves other people, use your head, move your body, eat good food." –N.H.

Ken Hayashibara

Ken Hayashibara, 49, has used the cash flow from his real estate empire in Okayama, four hours from Tokyo, to fund biotech research. His natural human alpha interferon drug has been licensed in Japan to fight kidney cancer; clinical trials are now in process to determine if the drug is effective against AIDS. With $3 billion in assets behind him, Hayashibara, whose family started out in the candy business, is rapidly expanding his research institute. The biotech facility has been inundated with researchers' resumes. –H.A.



Robert Mitchell Photos

Rinji Shino, at home with Japanese art

It can be a comfort, having a smart daughter around.

Yohachiro Iwasaki

Yohachiro Iwasaki, 89, started poor, bought land in southern Japan when it cost next to nothing and developed extensive resorts. In recent years he has built resorts as far away as Australia and Mexico. His eldest son, Fukoza Iwasaki, 65, now runs the business, which is worth at least $2.8 billion. –N.H.

Rinji Shino

How un-Japanese: Rinji Shino's daughter Shigeko, 49, runs Meiko Group, nerve center of the aristocratic family's $3 billion real estate empire. This gives her 83-year-old father time to enjoy his various possessions: the elegant traditional Japanese wooden residence on eight acres in Wakayama, west of Osaka; residential property in Osaka; three golf courses; two uninhabited islands in the Inland Sea; land in France west of Fontainebleau; his 120-foot yacht, *Hayatori II*; and his Western and Japanese art. –H.K.

Hideki Yokoi

Yokoi's Hotel New Japan burned in 1982, killing 33. It is still in ruins. Yokoi has lost one appeal against the three-year sentence he drew for his failure to install required fire-prevention equipment; he is still out on bail, pending another appeal. Worth over $1.4 billion, Yokoi, 78, reportedly hopes to build a skyscraper on the Hotel New Japan's billion-dollar site in central Tokyo. Meanwhile, the cash flows from the pachinko parlors, bowling lanes and lesser hotels he and his family own and operate. –H.K.

Japan

industry

Hiroshi Yamauchi

With U.S. sales for Nintendo slumping, Yamauchi needs a big success with his more powerful, 16-bit system this fall. It has sharper colors and clearer sound but a stiff price—nearly $200 for the player, plus $60 for each game. The machine is already a huge hit in Japan, where nearly 1.8 million units have sold in just five months. But what are its chances in the U.S.?

"At this point we don't know," Yamauchi, 63, told FORBES in May. "If we get 3 million orders [by Christmas], it means the outlook is very bright. But we still don't know if users will buy it."

Paul Heaton, an analyst at W.I. Carr, predicts Nintendo will get only 55% to 60% of the 16-bit videogame market in the U.S., compared to its 85% share of the 8-bit game market. Heaton figures competitor Sega has been pushing harder in the U.S. and will have 100 games out by Christmas, as against 15 or 20 for Nintendo.

Yamauchi, who owns $2.3 billion worth of Nintendo stock, is not putting all his eggs in the U.S. market for familiar-looking 16-bit games. He has cut a deal with Philips for attachable CD players, permitting vastly more elaborate games. And he is pushing Nintendo into Europe—a less attractive market, he admits.

"Europeans and Americans are different," says Yamauchi. "You see George Bush playing with Game Boy, but the prime minister of France [Edith Cresson], that woman, all she does is complain the Japanese are unfair." –G.E.

Nintendo/Imagination Press

Hiroshi Yamauchi, president of Nintendo
Will his new game be a hit in the U.S.?

Edith Cresson, prime minister of France
Is she unfair?

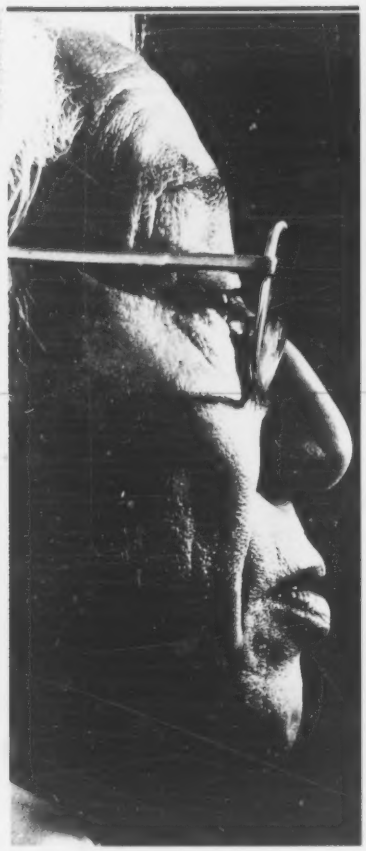
Masatoshi Ito

Masatoshi Ito, 67, controls two of Japan's most profitable big retailers, Ito Yokado and 7-Eleven Japan; his stock in the pair is worth over $2 billion. In March he bought 70% of Dallas' Southland Corp. out of bankruptcy for $430 million; this gives him convenience stores in over 20 countries. Ironically, it was a much healthier Southland that licensed the 7-Eleven name to Ito for the Japanese market in 1973. –H.K.

Morita family

While Akio Morita's $26.7 billion (sales) Sony Corp. battles archrival Matsushita Electric in camcorders, it must also fight a sluggish worldwide consumer audio market. The industry's last hit product, the compact disc player, is already nearly a decade old. Sony recently introduced a miniaturized CD player that may kill off the cassette tape—the Mini Disk can record as well as play; it offers better sound and allows instant access to any song.

The jury is still out on whether Morita's $3.4 billion purchase of Columbia Pictures will prove a wise investment. The first big test will be



Akio Morita, cofounder and chairman of Sony Corp., and Sony's Walkman monument
Will Sony's new mini compact disc player kill the Walkman? The Mini Disk can record sound and won't skip when worn jogging—which beats current portable CD players. And the sound is of higher quality than cassette tapes'.

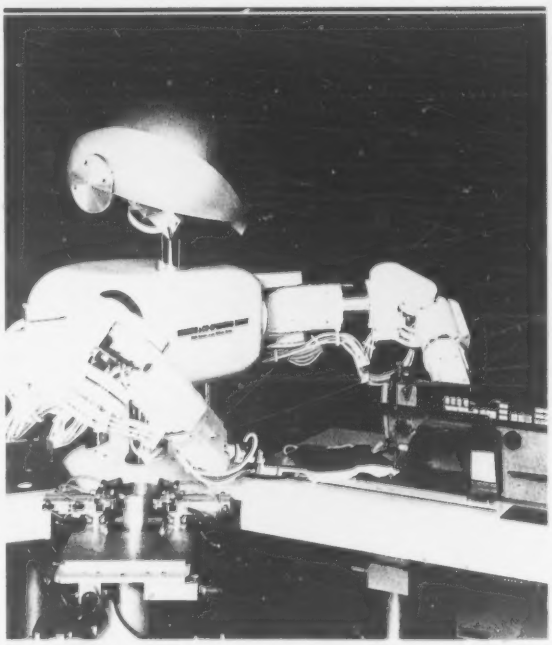
the coming release of *Hook*, a movie directed by Steven Spielberg, starring Dustin Hoffman and Robin Williams. Sony Music will release the film's sound track.

Most of Morita's wealth, which is around $1 billion, derives from Sony. He is also chairman of Morita K.K., his family's 326-year-old sake and soy sauce company. —G.E.

Matsushita family

When $49 billion (sales) Matsushita Electric Industrial Co., chaired by Masaharu Matsushita, 78, bought MCA Inc. for $6.1 billion in December 1990, it opened another front in the perennial battle against Akio Morita's Sony Corp., which bought Columbia Pictures in 1989.

Matsushita is also fighting Sony for market share in palm-size camcorders. Sony reportedly holds 40% of



Masaharu Matsushita
Doing everything from robotics to buying MCA; perennially battling Sony.

Ryoei Saito, honorary chairman of Daishowa Paper **Saito can enjoy looking at his Renoir and van Gogh while mulling over his company's misfortunes.**

the market, Matsushita 28%. But another 12% belongs to Victor Co. of Japan (JVC), and Victor is part of the Matsushita Group.

Masayuki Matsushita, 45, a grandson of legendary founder Konosuke Matsushita (d. 1989), was appointed a managing director in 1990 and is now one of the candidates for the presidency. –J.I.

Seiji Tsutsumi

Seiji Tsutsumi, 64, well-known poet and novelist, is a creative man. He inherited an unfashionably situated department store and built it into a 100-plus-company empire with supermarkets, travel agencies, insurance and consumer credit. But lately there are signs his creative energies may have outrun profits. He suddenly announced in January that he would step down from active management of Saison Group—under pressure from Japanese banks, say industry sources.

Inter-Continental Hotels is a big headache. Two years ago Saison paid $2.2 billion—nearly 19 times cash flow—for the chain, much of it borrowed. Later, Scandinavian Airlines System took a 40% stake in Inter-Continental. Says a manager at one of Japan's large long-term credit banks: "The economics of this deal didn't make sense from the beginning."

Tsutsumi hoped to use the chain to propel the group's other businesses into the international arena. But so far few "synergies" have been realized. "Saison doesn't have leadership that knows how to run a big international operation," says a source in the Japanese hotel business.

According to financial documents obtained by FORBES, Inter-Continental lost $63 million in 1989, roughly double the amount forecast at purchase. In 1990 it lost around $26 million. It forecasts a loss of $34 million in 1991 followed by an $82 million profit by 1994.

Meanwhile, Tsutsumi's Seibu Department Stores, the original core company, is estimated to have sales of $7.5 billion, $2.5 billion in debt, and net margins around half a percent. It plans to restructure. –G.E.

Saito family

Ryoei Saito, 75, buyer of van Gogh's "Portrait of Dr. Gachet" and Renoir's "Au Moulin de la Galette," tells FORBES how he will steer his ailing paper company through hard times. With a smile, Saito reaches into his pocket and pulls out a thick wad of ¥10,000 ($74) bills. "I will use this," he says, pointing to the money.

An interesting gesture. Saito means he will dip into his own fortune, if necessary, to prop up Daishowa. But the Japanese press has long questioned whether Saito improperly borrowed large sums from publicly held, $3 billion (sales) Daishowa Paper Manufacturing Co. for personal use.

Last year a family holding company paid Daishowa $49 million for its share of an Australian eucalyptus-chip venture. "Daishowa needs help," says Saito. But, according to a Japanese corporate research firm, the holding company has around $300 million of debt guaranteed by Daishowa. So it looks as if the Saitos were buying assets from Daishowa with money backed by Daishowa.

Last year Daishowa showed a $39 million profit, but only after a $126 million gain on sale of stock. The company has announced investment cutbacks and asset sales to reduce borrowings. Saito believes it will no longer be practical to produce paper in Japan, given high energy costs. He wants to cut domestic facilities and shift production overseas—not easy, given Japan's lifetime employment system. Saito has long been the most aggressive Japanese buyer of pulp and paper facilities in the U.S. and Canada. For now, the family is visibly worth $1 billion. But Ryoei Saito may need more than panache and a wad of bills to be on the list next year. –G.E.

Teramachi family

Hiroshi Teramachi founded and runs THK, a maker of precision bearings known as linear motion guides. It

earned $160 million last year before tax on revenues of $550 million, and is growing rapidly. "Now the market penetration of the linear motion guide is 15% to 20% in Japan and some 4% overseas," Teramachi, 67, says. "My projection is pushing it up to 50% worldwide in 15 years." But as a small fish in a land of industrial giants, Teramachi must protect himself, and is doing so by forming strategic alliances with established companies. –H.A.

Tetsuo Ohga

Step on any train in Japan and you will see salarymen, students and housewives poring over comic magazines as thick as telephone books. Some boast circulation over 1 million.

Shonen Jump, a comic for kids that teenagers and even adults devour, sells some 5.8 million copies a week. Few companies advertise in them, but comics are very profitable: They're cheaply printed on low-grade paper, and popular comic strips are often compiled into lucrative paperback books or turned into television cartoons. They tell tales of sports, adventure, romance, often with lurid scenes of violence and sex.

Many of Japan's comic books are published by Shogakukan Inc. It is a major element of Shogakukan Group, which is controlled by Tetsuo Ohga, 66. This is his first year among the world's billionaires.

Founded by Tetsuo's father in 1922, Shogakukan Inc. originally published educational materials for children. Later, Tetsuo added to the line dictionaries, books and general interest magazines—the company's 70-plus popular magazines earn 58% of its $1 billion revenues. The comics are only 25% of revenues but reputedly have the highest margins of all.

Tetsuo Ohga runs the family business now, and has been busily expanding. Today Shogakukan is only one of 30 companies in Shogakukan Group. Rivaling it is Shueisha, another member of the same group, established in 1926 to handle entertainment publications.

The Ohgas' holdings are worth over $4 billion. –G.E.

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Robert Maass/Picture

Kenkichi Nakajima, president of Heiwa

Billions from a Japanese obsession.

Kenkichi Nakajima

The Nakajima family owns $6.1 billion worth of stock in Heiwa Corp., Japan's biggest maker of machines for pachinko parlors. Nationwide, the pachinko industry (which is widely assumed to have ties to organized crime) takes in around $140 billion a year. Heiwa was founded in 1949 by Kenkichi Nakajima, president, now 70.

Many of the companies that make pachinko machines work closely together to fend off outsiders. But Nintendo and Sega, the videogame powers, are threatening to break into the pachinko business anyway. –J.I.

Reijiro Hattori, chairman of Seiko Group

Discovering new ways to sell watches.

Hattori family

The Hattori family has been making watches for over 100 years. Under Reijiro Hattori, 70, their Seiko Group is making wrist radio pagers, developed jointly with AT&E, of San Francisco. Also on the market from the Hattoris are special watches for scuba divers. In addition, Seiko Epson has launched a powerful notebook-size computer. The group also sells eyeglasses and jewelry.

The family fortune is estimated at $3.5 billion. –N.H.

Ryoichi Jinnai

In 1962, when he founded consumer lender Promise, Jinnai legally charged over 100% annual interest on loans. In those days most of Promise's customers were middle-aged salarymen with money problems and no collateral to offer banks; the *sarakin*, or consumer lenders, were held in low esteem.

Today things are different. The maximum legal lending rate is now 40% and consumer borrowing no longer carries a stigma, especially among the younger Japanese Promise and other *sarakin* now court. Some 28% of Promise's customers are in their 20s. Most of the money they borrow goes for travel and recreation. Japan's consumer era is in full swing.

To woo these young borrowers and burnish Promise's image, the company dabbles in new businesses: a camping club, video rental stores, a golf course in Paris. The company plans to go public in Japan's over-the-counter market in the near future. Based on current market multiples, Jinnai's stake in Promise might be worth $1 billion now.

In March Jinnai, 65, promoted himself from chairman to honorary chairman (he is also managing director). Takahiko Ori, an establishment banker who used to be with the Long-Term Credit Bank of Japan, is president. But the smart money is on Jinnai's eldest son, Hideki, 37, rapidly moving up. –G.E.

Kinoshita family

The Kinoshitas own Acom, another of Japan's big consumer lenders. Managing director Yoshiki Okada worries that young Japanese debtors are piling on more consumer debt than their salaries can service. Spokesmen at rivals Promise and Takefuji deny a repayment problem looms, but Okada believes they are papering over what could become a big social issue.

Okada sees other signs that Japan's once thrifty savers are becoming less disciplined. Traditionally, Japanese husbands worked and wives watched

family finances. But now more women work, and managing budgets gets lower priority. Growing use of credit cards leads to still looser family spending controls, Okada says.

Like Promise, Acom would like to list over-the-counter next year. "In terms of financial strength, consumer finance companies get an AAA rating," says Okada. "In terms of image, we get a DDD, or maybe a C." In terms of dollars, the Kinoshita family's stake in Acom is probably worth some $1.5 billion. –G.E.

Yasuo Takei

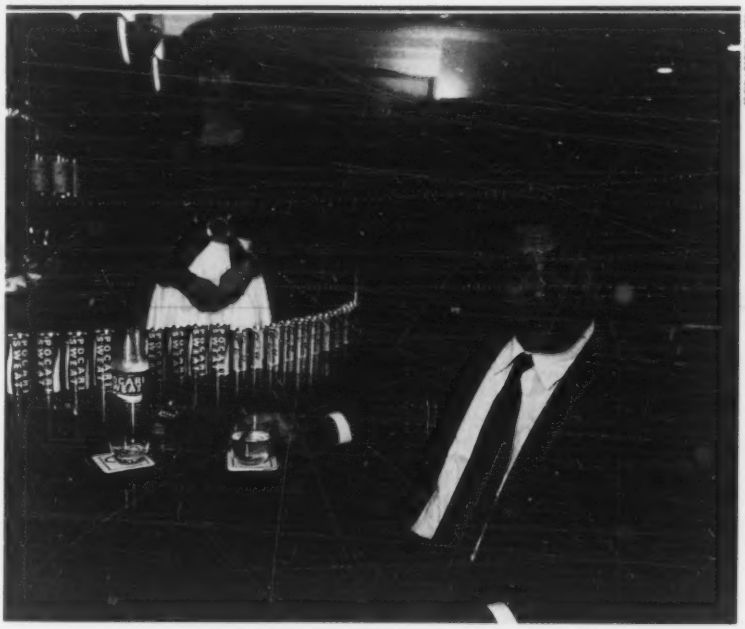
Yasuo Takei, 61, founded Takefuji, one of Japan's largest consumer lenders, worth about $1.6 billion. Last year Takei hired a new president from Nomura Securities, but he departed in February; sources cite—but the company denies—a flap over taking Takefuji public. Takei is back in charge, and Takefuji, which earned $110 million last year on revenues of $1 billion, is still private. –G.E.

Keizo Saji and family

Keizo Saji and family own 90% of Suntory, Japan's premier whiskey company and a major brewery. The holding is worth around $1.8 billion. However, whiskey sales, which account for half of Suntory's revenues, are falling in Japan; last year's heat wave was better for beer sales than for whiskey sales. And Suntory's beer sales aren't growing as fast as competitors'. Boosting sales will require some creative brand marketing.–H.K.

Akihiko Otsuka, president of Otsuka Pharmaceutical

Known for its strong distribution and heavy advertising.



Roger Ressmeyer/Starlight Pictures

Masahito Otsuka and family

The Otsuka family's Otsuka Pharmaceutical sells ethical drugs and also markets nutritional beverages: Fibe-Mini, with dietary fiber, is a recent hit. Known for their strong distribution system and heavy advertising, the Otsukas recently became the Japanese licensee for Nestle's Nescafe canned coffee. Canned coffee is a $5.5 billion market in Japan.

More foreign deals are possible. The family's $1.8 billion fortune was built by Masahito Otsuka, who is now 74; since 1976 his son Akihiko, 54, has run the show. –J.I.

Keizo Saji, chairman of Suntory

Last year's heat wave was better for beer sales than for whiskey sales.

Takemitsu Takizaki

Right out of high school, Takemitsu Takizaki, now 46 and the founder and president of Japan's Keyence, worked for an American sensor firm in Osaka. He quit after only three years to start his own sensor company. That was in 1972.

Today scores of Japanese plants use thousands of Keyence's devices to measure product dimensions, humidity, pressure, vibrations—any relevant physical property. Five-year average annual growth in sales has been 35%; in profits 40%, to $44 million on sales

of $196 million in the latest fiscal year.

Most of Takizaki's sensors are proprietary, and 75% of them have almost 100% market share. This is because 60% of the employees are salesmen trained in engineering, who study customers' needs directly at their factories. The company exports to about 5,000 U.S. factories; customers include IBM and GM.

Takizaki keeps overhead down by subcontracting out most of the actual production work; he concentrates on product design, planning and sales. Japanese capital investment is expected to grow "only" 9.2% this year, but Keyence hopes to maintain its own higher growth rate.

The stock market hopes so, too. Keyence shares, public since 1987, have doubled, making the 30% holding of Takizaki and family—new to the billionaire list this year—recently worth $1.1 billion. At its current market price, Keyence sells for over 85 times earnings. –H.K.

Junichi Murata

Junichi Murata, 55, and his family own 89% of $1.3 billion (sales) Murata Machinery; the stake's worth $3 billion. Half Murata's sales come from textile machines, the other half from fax machines and other telecommunications equipment, in which Murata competes against big companies like Matsushita and Ricoh. "Major companies corner the market for engineers," complains Murata, who has added four Americans to his force of 150 engineers. Another strength: compelling advertisements for his fax machines. –H.A.

Murata fax ad

Battling Matsushita and Ricoh.

Kiyoshi Sagawa

Kiyoshi Sagawa's Sagawa Express Group is a private package delivery service that is now worth some $2.7 billion. Sagawa, 69, pays his key employees, the delivery men, well, starting some at $74,000 a year.

In February Japanese tax authorities nailed Sagawa for $13 million in back taxes. The authorities may have been inspired by a 1989 expose on the company written by Yosuke Hamada, a disgruntled former employee who was fired for failing to meet sales targets. –G.E.

Isono family

One of the outstanding men of Japan's Meiji era (1868-1912), Kei Isono founded Meidi-Ya, a Western style food store chain and distributor of Kirin beer. His descendants, now led by grandson Kenzo Isono, 72, still control Meidi-Ya and Tokyo real estate, and hold a large stake in Kirin Brewery. Their fortune is currently estimated at $3 billion. This is the Isono clan's first appearance on the billionaires list.

Born in 1858 of a samurai family, Kei Isono was educated at Tokyo University. Backed with Mitsubishi money, Isono spent four years in Europe. After returning to Japan, he opened Meidi-Ya in 1886 to import Western food and liquor. He also became sole agent of Japan Brewery (now known as Kirin Brewery) and was soon exporting its beer to China, Singapore, India and Hawaii. When Isono died in 1897, at age 39, Meidi-Ya was only 11 years old. But at the funeral were Japan's prime minister and hundreds of business and political leaders.

Meidi-Ya and the Kirin distribution business survived and prospered and the Isonos continued to import and distribute Western foods and beverages. In 1919 Meidi-Ya imported and distributed Coca-Cola; in 1961 it set up, with Mitsubishi, Fuji Coca-Cola Bottling Corp., still an important part of the Isono fortune.

Today Meidi-Ya is Japan's second-largest wholesaler of food and liquor, after Kokubu & Co. But it can ill afford to rest on its laurels. Nationwide chains like billionaire Masatoshi Ito's 7-Eleven stores are giving the established wholesalers tough competition. Under Keiichi Isono, president, a nephew of Kenzo Isono, Meidi-Ya still retails expensive imported items like fine wines and exotic fruits. Meidi-Ya outlets are mainly in Tokyo's wealthier sections, where the Isonos have become landlords of some note. –H.A.

Shoji Uehara and family

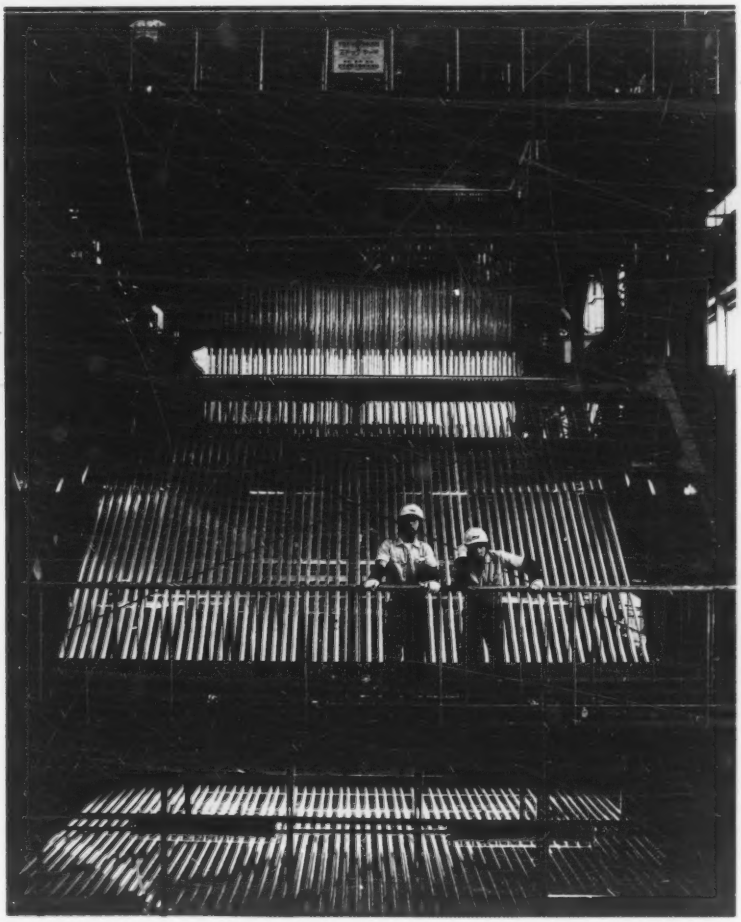
Here's an unusual Japanese tale: Sae Tsuchiya Uehara was a live-in housemaid for the founders of Taisho Pharmaceutical. Her husband-to-be, Shokichi, was a Taisho apprentice. They rose together to run Taisho and acquire controlling stock. When Shokichi served in parliament, from 1950-80, Sae ran the company. He died in 1983. Now 82, Sae Uehara is honorary chairwoman.

In 1934 the couple adopted their nephew, Shoji. Now 63 years old, he is Taisho's chairman and largest stockholder. He has, in turn, adopted his son-in-law, Akira, who serves as the company's president and will likely succeed his adoptive father. Taisho, whose strength is over-the-counter drugs, nutritional tonics and cold remedies, also has growing success in ethical drugs and is preparing to invest $740 million in the next seven years in new plants and laboratories. The Ueharas' stock in the company is worth $1.5 billion. –J.I.

Tadao Yoshida and family

YKK, the world's biggest zippermaker, operates in 40 countries and has $4.4 billion sales worldwide. It was founded in 1934 by charismatic Tadao Yoshida, now 82 and in poor health.

Increasingly, Yoshida's 44-year-old son Tadahiro, who earned an M.B.A. from Northwestern University in 1972, is calling the shots, and calling them to a tune different from his father's. For example, the founder



Tadao Yoshida (top); son Tadahiro (above)
With Tadao in poor health, his son calls the shots at YKK. The company is still the world's biggest zippermaker (left), but aluminum construction materials are an even bigger business for the Yoshidas.

liked internal expansion. The son likes acquisitions: In 1987 YKK bought the U.S.' Universal Fasteners Inc.; earlier this year YKK's aluminum construction materials subsidiary acquired a similar Japanese building materials maker. The son is also moving YKK toward a merit-pay system and away from the traditional Japanese system of seniority-based compensation.

The Yoshidas' 28% of YKK is worth $2.8 billion. Young Yoshida seems determined to keep the fortune growing. –H.A.

Murayama family

The Murayama family founded *Asahi Shimbun* (circulation, 8.2 million), one of Japan's big five dailies. The Murayamas used to be at odds with the paper's management over issues like personnel and editorial policy. Now relations seem to be improving. The privately owned paper is increasing its equity capital base, building a new headquarters building and launching *Japan Access*, a newsletter aimed at U.S. businessmen interested in Japan. The Murayamas are worth around $1.7 billion. –J.I.

Hisakichi Yamaguchi

A packaging billionaire, Hisakichi Yamaguchi founded Daiwa Can in 1950, with backing from Nippon Steel. With 30% of the Japanese can market, Daiwa relentlessly upgrades its production lines: In the past decade its work force has remained at the same level, of 3,000, while sales have increased tenfold, to $2 billion last year. At 80, Yamaguchi is a keen businessman and golfer. His net worth: at least $2.9 billion. His handicap: 9. –H.A.

Shigekuni Kawamura and family

Shigekuni Kawamura, 62, heads a billionaire family that owns 15% of Dainippon Ink & Chemicals (revenues, $2.9 billion, market cap, $3.2 billion), plus Tokyo real estate and valuable art collections. At home and abroad, Kawamura is a big spender on R&D. Dainippon's U.S. arm, Reichhold Chemicals, acquired in 1987, is building a $55 million research center in North Carolina for 300 researchers, to open early next year. –H.K.

Asia and Australia

Hong Kong

Li Ka-shing

Li Ka-shing's actions are watched by all. What, then, is one to make of the fact that his flagship company, Cheung Kong (Holdings) Ltd., expects to get a huge amount of cash as several residential developments are completed in the next 18 months? What will Li do with all the money? Some local analysts believe Li and his companies are actively looking for investments in and out of Hong Kong. Example: Li recently bought 8% of Evergo International Holdings Co., Ltd. Evergo is the vehicle of the Lau brothers, Hong Kong's well-known corporate raiders.

Some of Li's recent forays haven't worked out too well. Last year Li and investors offered only 10% equity for the $3 billion junk bond and preferred stock portfolio of insolvent Columbia Savings & Loan. Li was to pay only $150 million in cash. Even U.S. regulators wouldn't go for a deal that lopsided. Another Hong Kong company Li controls, Hutchison Whampoa, Ltd., tried unsuccessfully to grab the 35% it doesn't own of Hong Kong-listed Cavendish International Holdings. On a third front, rival Y.K. Pao finally won the battle for Hong Kong's cable TV monopoly over Li—but Li came back by launching AsiaSat, after which Pao's consortium disbanded its project. Li, 63, is letting son Richard, 24, run Star TV, the new satellite television operation. Son Victor, 28, runs the family's Canadian investments. But Li himself manages most of the $2 billion fortune he has accumulated over the years. –T.G.

Lee Shau-kee

Lee, 63, decided that his publicly traded residential property company, Henderson Land Development Co., would stick with what it knows best: building for Hong Kong's mass residential market. Did Lee, who amassed large quantities of land in the 1950s, somehow divine that wages would rise faster than property prices in the 1980s, and that buying a flat would become the middle class' investment of choice? Or that thousands of young Chinese professionals (sometimes called "chuppies") and newly married couples would choose to live on their own instead of with their families, as in the past? Whatever the answer, Henderson Land has made a killing on the approximately 50,000 apartments it has built and sold during the past 18 years.

As a hedge against 1997, Lee has interests in Singapore's Suntec convention center and the Vancouver 1986 Expo site, as well as in a number of residential developments in the U.S. and Canada. Two of his five children help him manage the family's $1.5 billion fortune. –T.G.

Sir Yue-kong Pao and family

Hong Kong developers rushed to build for the commercial and office market in the mid-1980s. That sector is now oversupplied, and rents are falling. But Y.K. Pao's publicly held Wharf (Holdings) Ltd. is building in the New Territories and developing its downtown Hong Kong land bank, purchased when prices were lower. A Wharf executive says he is sure that when the new properties hit the market, beginning 1992, any oversupply

LEFT:
Li Ka-shing
Seeking investments for cash-rich companies.

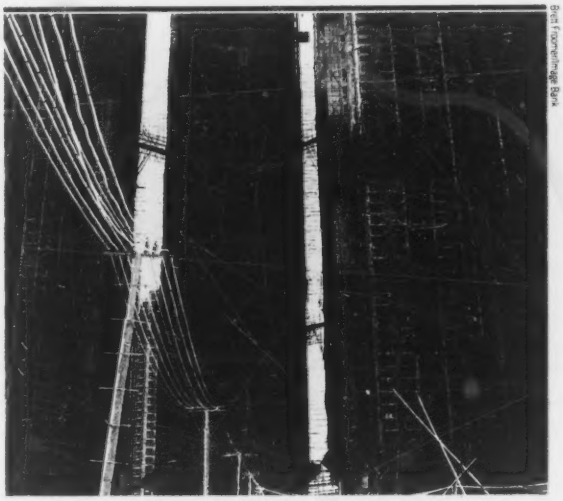
RIGHT:
Sir Y.K. Pao
His well-trained sons-in-law run the empire.

Decision time ahead

For the early line on what will happen to Hong Kong after the British move out in 1997 and China moves in, the time to watch is around 1993. That is when Hong Kong businessmen must make decisions that will signal to the world their confidence, or lack of it, in the capitalistic future of Hong Kong.

Today most businessmen feel fairly safe to continue investing. Outwardly, Hong Kong retains its boomtown aura. The reason, says Janice Wallace, research director at Baring Securities in Hong Kong, is that businessmen can figure on getting their money back in three to six years, depending on the industry.

So a Hong Kong billionaire can still build an electric power plant (just over a six-year payback, under allowed 16% returns), or develop a residential apartment complex (three years if built for sale, five for luxury rentals), or construct container terminals for Hong Kong's bustling shipping industry (five-year payback). Invest now and there's a good chance you'll recoup your capital and a decent return by July 1, 1997, when Britain returns the colony to the People's Republic of China. But in 1993 there will be only four years to go.



Bert Hoogendoorn, Bank

High-rise housing going up in Hong Kong's New Territories
Building eagerly—if the investment is earned back by 1997.

Those rapid payback periods are in part a sign of anxiety about Hong Kong's soon-to-be leaders from the north. Take, for example, the market for residential apartment sales, which remains very strong *(see Lee Shau-kee, p. 156)*.

A developer can expect to make an average 54% gross margin on the sale of a typical 800-square-foot, three-bedroom flat in Hong Kong's New Territories, assuming the land was purchased three years ago. "The higher yields on property are a very clear indicator of the political risk premium implied post-1997," says John Greenwood, chairman and chief economist of G.T. Management (Asia) Ltd.

There is plenty of money around. Hong Kong's booming economy and tight labor market (2% unemployment) have pushed real wages up sharply, even with 10% average inflation.

Much of the underlying strength comes from neighboring Guangdong Province, where Hong Kong businessmen increasingly invest to take advantage of low-cost and abundant labor. Currently about 2 million People's Republic citizens work in Hong Kong-owned or -managed factories in Guangdong. Low wages there mean Hong Kong employers can afford to pay higher wages in Hong Kong without squeezing margins.

Despite the rising living standard, tens of thousands of Hong Kong citizens have applied to leave. But the emigration process can take at least three years and may not get an applicant anywhere. Many have concluded that perhaps it is better to stay put, invest wisely and hope for the best.

At the corporate level, John Hung, executive director of Y.K. Pao's Wharf (Holdings) Ltd., reflects this thinking when he says: "I don't think 1997 is the end. We really believe there is more money to be made here than anywhere else." But whether Hung will have a similar opinion in 1993 remains to be seen.

"I think that the business people here believe in helping Hong Kong and China," says Baring's Wallace. "But they are not fools, either. If they can't make a buck out of it, they are not going to waste their money." Two years from now is when they will have to begin to decide to fish or cut bait. –T.G.

will have been taken up.

Pao, 73, has put his four sons-in-law in charge. Helmut Sohmen runs privately held World-Wide Shipping Agency, Ltd. Peter Woo, 45, runs World International (Holdings) Ltd. and Wharf (Holdings) Ltd. A third runs trading operations out of Japan. The fourth is in charge of personal investments in Pao's $1.8-billion-plus fortune. –T.G.

Cheng Yu-tung

It now seems clear that Cheng's New World Development Co., Ltd. took on too much debt when it bought the troubled U.S.-based Ramada hotel chain in 1989 for $540 million. The acquisition, spearheaded by Cheng's son Henry, 44, has yet to show a profit. Henry says none should be expected until 1993 at the earliest.

The Chengs have been selling Ramada properties to pay down their $900 million debt (about half from the Ramada acquisition), but also have opened new Ramadas in Thailand and Australia, and are forging hotel deals in Japan, Malaysia, Holland and elsewhere.

Many of the Chengs' privately

owned assets are overseas. They include 16% of Singapore's Suntec convention center and a share in Vancouver's Expo site development. There is also one-third of Houston-based Allright Auto, and a share of Stanley Ho's Macao-based gambling operation. All this adds up to a $1.3 billion fortune. –T.G.

Kwok family

The death of the family patriarch, Kwok Tak-seng, at 79, last fall, brought little change to family-run Sun Hung Kai Properties, Ltd. Management had already chiefly been in the hands of the children—Walter, 40, now chairman, and brothers Thomas, 39, and Raymond, 38—and a cadre of professional managers.

The company's stock shot up 22% since January, thanks largely to the booming mass residential market and the Kwoks' road show in Japan: Some Japanese investors, stung by their home stock market last year, are diversifying into Hong Kong equities.

Preparing for unpleasant surprises in 1997, the Kwoks have invested in San Francisco property. But most of the family's $2 billion fortune remains in the colony. –T.G.

Kadoorie family

The Gulf war and the recession hit the travel industry hard and brought Hong Kong's hotel occupancy rates down to about 70% from last year's 79%. But at the Kadoories' Hong Kong & Shanghai Hotels Ltd. (the Kadoories own 69%), average occupancy remains over 75%. Though the publicly traded hotel chain (it includes the famed Peninsula) is feeling a 12% drop in hotel income, rental income from luxury apartments it owns is up 13%. And the Kadoories' 33% of China Light & Power Co. rose 51% in value in the last year.

Overseas expansion plans abound. The plush Peninsula Beverly Hills hotel (Hong Kong & Shanghai Hotels has 20%) is slated to open this autumn. With partners, the Kadoories plan a beach resort in Phuket, Thailand, and an office and residential development in Ho Chi Minh City. Family patriarch Lord Lawrence, now 92, his brother Sir Horace, 88, and son Michael, 50, also have overseas interests in carpets, textiles and financial services. Altogether they are worth at least $1.8 billion. –T.G.

Swire family

Badly hurt by the downturn in air travel, Swire Pacific Ltd. (it has a 52% interest in Cathay Pacific Airways, Ltd.) reported a 20% drop in profits for 1990. But the Swire brothers—Sir Adrian, 59, and Sir John, 64—aren't selling any of their 27% interest in Swire Pacific, and remain worth some $1.4 billion.

Completion of current construction projects in the next year or two will put the Swires among the biggest landlords in Hong Kong. They seem to be betting on Hong Kong's prospering after 1997. But just in case, the family also owns substantial assets in the U.K. The Swires' roots in the China trade go back to the early 1800s. They have learned to adapt to China's periodic convulsions. –T.G.

Thailand

Chearavanont family

"Serving the world with better food—that's our aim," says newly discovered billionaire Dhanin Chearavanont, 52, chairman of Thailand's Charoen Pokphand, better known as CP Group.

Dhanin's father, Chia Ek Chaw, and uncle immigrated to Thailand from China in 1921. Since then CP Group has grown from a small seed importer in Bangkok's Chinatown to the nearly $3 billion (sales) vertically integrated poultry and shrimp empire. Inspired by large-scale chicken breeding and processing in the U.S., CP added in Thailand's low-cost labor. Result: Asia's largest agri- and aquabusiness. It is already coming up fast on the U.S.' $3.8 billion (sales) Tyson Foods.

The CP Group produces its own feed, contracts with farmers to raise the chicken or shrimp, sells them the raw materials—chicks, feed, technology and management— and buys the grown product at a guaranteed price. The bulk is sold in Thailand, to an

CP Group's Dhanin Chearavanont **Asia's chicken king.**

increasingly prosperous people that can now afford more than rice. But 40% of CP Group's chicken output is exported, mostly to Japan.

Agribusiness and aquabusiness now account for 75% of CP Group's sales. Chearavanont plans to reduce the ratio to 50% in five years by investing in property development, petrochemicals, telecommunications and food distribution. To get the expertise he needs, Chearavanont has been lining up multinational partners. He's linking up with Belgian giant Solvay in petrochemicals; with British Telecom as an adviser in a $3.5 billion agreement to install 2 million telephone lines in the Bangkok area; and with Dutch giant Makro on its wholesale supermarkets.

Dhanin, whose formal education ended in high school, is the youngest of four brothers. Among Thai businessmen, he is well known for hiring professional management for the family's 200-odd companies. Eight of these are now listed on the Asian stock exchanges; the family controls about 60% of each. Net worth of all the Chearavanonts' assets is at least $1 billion. –M.K.

Sophonpanich family

The Sophonpanich family is another new entry here. By owning about 40% of Bangkok Bank (among much else), the family controls a fourth of the country's private savings, and finances a third of its exports. Thanks to Thailand's rapid growth—9% or more a year for four years in a row—Bangkok Bank (assets, $20 billion) is Southeast Asia's largest bank.

The Sophonpaniches' $1 billion fortune traces back to the late Tan Piak Chin. In 1927, at 17, he hauled rice bags while dreaming of setting up his own importing business. Eight years later, his dream realized, Chin discovered that no bank would extend credit to him without full security. That gave him the idea: He became a moneylender to Thailand's small businessmen, most of whom were ethnic Chinese.

During World War II Chin (who adopted the Thai name Sophonpanich) became a successful currency

Chatri Sophonpanich

Bankers to the Thai nation.

trader and acquired a minority stake in the then-new Bangkok Bank. By the early 1950s he had a controlling interest in the bank.

Among his methods to capture and harness savings in developing Thailand, he used what today would be called a brokered deposits system: He used provincial businessmen to find deposits and gave them a percentage of profits. He re-lent the money to commodity exporters he trusted. Says London School of Economics-educated Choedchu Sophonpanich, 45, Chin's youngest son: "My father ran an old-fashioned operation in a gentleman's world—he looked at the character and abilities of borrowers rather than financial ratios."

Chin Sophonpanich died in 1988. Since then, Bangkok Bank has come to rely less on handshakes and more on the numbers. But it is no less successful. All of Chin's seven children from his two wives work in the bank or other family businesses. But wielding the most power is Chatri Sophonpanich, 58, Bangkok Bank's chief executive. –M.K.

Indonesia

Eka Tjipta Widjaja and family

Indonesia's vast rain forest and cheap labor could make it a global power in pulp and paper. Eka Tjipta Widjaja, 68, and his family seem to have noticed. At Widjaja's Sinar Mas Group, pulp and paper are now 30% of revenues (1990 total, $1.9 billion) and a 500,000-ton expansion program is under way, making the company one of the fastest-growing pulp and paper producers in the world.

Widjaja, new to our list but estimated to be worth at least $2 billion, came from southern China to Indonesia's Sulawesi island as a child (his Chinese name is Oei Ek Tjhong). At 17 he was selling biscuits, but the palm oil trade became the foundation of his fortune. His partner in edible oils was President Suharto's most favored businessman, Liem Sioe Liong.

Sinar Mas Group's most explosive growth was in the 1980s, when it bought into P.T. Indah Kiat Pulp & Paper Corp. and founded Bank International Indonesia, now one of the country's largest and most profitable banks. Six of Widjaja's eight children—Sukmawati, Teguh (who runs the pulp and paper business and is heir apparent), Indra (who runs the bank), Muktar, Djafar and Franky—are in the business. –A.F.

William Soeryadjaya and family

William Soeryadjaya, 68, is a third-generation Indonesian-Chinese who built an old GM truck-assembly plant into the country's second-largest conglomerate. His younger son, Edwin, 42, helps run PT Astra International, which gets 70% of its profits from car sales and has been a market darling (the family owns 76%). But Indonesia's central bank is fighting inflation with 20% interest rates; car sales are hurting. Son Edward, 43, runs private Summa Group, a rapidly growing financial services operation that borrowed heavily to finance growth. Warns one analyst: "It's overextended like crazy." The family's visible worth is still near $2 billion. –A.F.

Liem Sioe Liong and family

Liem Sioe Liong (Indonesian name, Soedono Salim), considered Presi-

dent Suharto's *cukong*, or Chinese financier, has run important monopolies or near-monopolies in Indonesian industry. With revenues of $8 billion, his Salim Group is now Indonesia's biggest conglomerate. Last year Liem paid $215 million for a controlling stake in United Industrial Corp., parent of Singapore's premier real estate company, Singapore Land. He also controls Hong Kong-based First Pacific Co., a holding company with interests in banking and real estate. Sons Anthony, 41, and Andree, 43, work with Liem, 75. The family is worth over $2.5 billion. –A.F.

Malaysia

Robert Kuok

Robert Kuok, 68, has been building his billion-dollar empire—Perlis Plantations (sugar), Pacific Carriers (shipping), Shangri-La hotels, real estate and much else—for more than 40 years. Sons Ean, 36, and Beau, 37, are in the business, but the old man is still very much in charge of the family's businesses. –T.G.

Singapore

Kwek/Quek family

There are branches of this family in Singapore and in Malaysia. In Singapore, the family is known as Kwek. Last year Kwek Hong Png, 80, founder of the Singapore branch's Hong Leong empire, was found guilty of helping a nephew commit criminal breach of trust. He could have gotten ten years in prison, but he merely paid a fine. His eldest son, Kwek Leng Beng, 49, is running Hong Leong Finance Group. City Developments, the Kwek's property arm, is engaged in building the Republic Plaza in Singapore; it will be one of the tallest buildings outside the U.S.

In Malaysia, the family is known as Quek, led by Quek Leng Chan, 50. He invested heavily in manufacturing, properties and finance three years ago, when the Malaysian economy was still recovering from the 1985-86 recession, and profited handsomely.

The two sides own stock in each other's holdings but are not close. At Kwek Hong Png's annual birthday bash, cousin Quek Leng Chan was not seated at the big family table. Quek has said he hopes to make his three main companies as large as today's whole Hong Leong Group in Malaysia by 1993. The Kweks were recently worth about $1 billion; the Queks, over $700 million. –J.Q.

Lee family

The $1-billion-plus fortune of Singapore's venerable Lee family consists of its Oversea-Chinese Banking Corp., plus vast, long-held rubber plantations in the neighboring Malaysian state of Johor. As growth spills from Singapore into Malaysia, the Lee family's plantations may become industrial parks. –J.Q.

Philippines

Zobel family

The Philippine economy has been struggling lately, but the Zobel family—new to this list—is betting on a boom. Through holding company Ayala Corp., the Zobels are planning office towers and industrial parks. A joint venture with Malaysian billionaire Robert Kuok *(which see)*, for example, will put up office buildings and a flagship commercial center in Cebu, a major city in the southern Philippines. Land is no problem for the Zobels. They have been a force in the Philippines since 1834, first with plantations and then manufacturing. Their fortune got a big boost from an American army officer, Colonel Joseph McMicking. McMicking married Mercedes Zobel and, after World War II, ran Ayala Corp. In 1949 he built luxury housing on a large parcel of central-Manila land that had been in the Zobel family since 1851. Later came commercial buildings in an area now called Makati—Manila's premier business district.

McMicking died last year. His widow, Mercedes Zobel McMicking, 83, controls Mermac Inc., the family holding company named after her. It owns around 60% of Ayala Corp.

The McMickings had no children. Nephews Jaime Zobel de Ayala, 56, and cousin Enrique Zobel, 64, have each been the family's business leader. In the early 1980s Enrique was unsuccessful in expanding Ayala interests overseas, and tried to take over the San Miguel brewery from other family members. This got him into trouble with his aunt Mercedes: In 1983 Ayala's board kicked out Enrique and named Jaime chairman.

Jaime Zobel de Ayala is building, but has reduced Ayala Corp.'s debt. Says 32-year-old heir apparent Jaime Augusto Zobel de Ayala II: "By nature, we're somewhat conservative." But, through her control of Mermac, Mercedes Zobel McMicking is still ultimately in charge. –A.F.

Korea

Chung Ju-yung and family

The newly democratic Korean government wants Korea's *chaebol*—the huge conglomerates like Chung's Hyundai Group that dominate the economy—to focus their resources better and pick three core businesses in which to specialize. These core businesses would be allowed bank credit on favorable terms from their banks; other *chaebol* businesses would face stiff credit limits.

The government hopes to free up resources for other aspiring entrepreneurs, thereby promoting growth and a stronger middle class, and defusing resentment of very wealthy Korean business families. Hyundai, like other *chaebol*, has also been forced to sell some large land holdings.

Honorary Chairman and founder Chung Ju-yung, 75, chose to focus on motor vehicles, electronics and petrochemicals. The latter is something of a mystery. Korea is already oversupplied in petrochemicals, and is building additional capacity as a world glut looms. Moreover, Korea has no obvious competitive advantage here: It is totally dependent on imported oil and naphtha feedstocks.

Why, then, is the government en-

Chung Ju-yung; Hyundai cars shipping out
Hyundai means modern times; modern times mean the chaebol must specialize.

Shin Kyuk-ho, a.k.a. Takeo Shigemitsu
From chewing gum to petrochemicals.

couraging Chung and other *chaebol* leaders to add petrochemical capacity? Probably because petrochemicals are basic building blocks for any ambitious industrial society. And Korea does have a relevant natural resource: its energetic and increasingly well-educated people. Chung's sprawling Hyundai (the word means "modern times") Group has grown into a $32 billion colossus under his strong hand. Don't underestimate him in petrochemicals. –W.H.

Lee family

With unconsolidated revenues of $37 billion, the Lee family's Samsung Group is Korea's largest and best-regarded *chaebol*. When the government told Samsung to pick three core businesses to specialize in, it chose Samsung Shipbuilding & Heavy Industries, plus general chemicals and electronics. (In semiconductors, Samsung is fast approaching the level of Japan's Hitachi and Toshiba.)

Will Samsung, which has some 51 affiliated companies, go out of dozens of businesses? Not necessarily. Local observers predict it will be difficult, if not impossible, to keep *chaebol* like Samsung from using money borrowed by core businesses to finance noncore businesses. This would at least partially thwart the government's aim: loosening the big groups' grip on a disproportionate share of the country's economic resources.

Samsung might, however, one day arrive at the solution exemplified by Japan's giant carmaker Toyota and its numerous affiliates: Spin off noncore businesses—perhaps by taking them public on the Seoul stock exchange—but keep them tied to the Samsung family through financing agreements and contracts to buy their output.

Remember, Samsung's founder, the late Lee Byung-chull, greatly admired Japan's industrialists and studied them carefully. His third son, and chosen successor, Lee Kun-hee, 49, educated in the U.S. and Japan, now oversees Samsung in this latest stage of its development. He is likely to look to Japan for lessons in the difficult restructuring days ahead. –W.H.

Shin Kyuk-ho, a.k.a. Takeo Shigemitsu

One of the world's richest entrepreneurs (worth over $6 billion), Shin, 68, has empires in both Korea and Japan, where he is known as Takeo Shigemitsu. Born in Korea, he immigrated to Japan in the early 1940s and hit it big, first with chewing gum, then chocolate and real estate. In 1967 he launched in Korea a near mirror image of his flourishing Japanese business—right down to the professional baseball team. As in Japan, he picked up real estate cheap. Today some of it underlies Shin's $1 billion, two-year-old Lotte World complex, with a hotel, department stores, other shops and the world's largest indoor amusement park.

Confectioneries remain important, but like Korea's other big businessmen, Shin has a sweet tooth for petrochemicals. His Lotte Group named Honam Petrochemical, a joint venture with Japan's Mitsui Group, as one of its core businesses. This will give capital-intensive Honam access to easy credit. Lotte focuses mostly on leisure and consumer businesses, which produce substantial cash flow and quicker returns and do not consume great gobs of capital. –W.H.

Koo family

Earlier this year Goldstar Co., a core subsidiary of Lucky-Goldstar Group, acquired 5% of the U.S.' Zenith Electronics for $15 million. The aim was to get a better U.S. marketing network and better technology. Lucky-Goldstar needs both.

Korea's third-largest *chaebol*, Lucky-Goldstar is controlled by the Koo family and their relatives by marriage, the Huhs. The group's two main pillars are chemicals and electronics. Partly in response to the gov-

ernment's effort to rationalize the conglomerates, Lucky-Goldstar plans to merge four chemical subsidiaries, including Lucky Ltd., the country's largest integrated chemicals concern.

Under Chairman Koo Cha-kyung, 66, Lucky-Goldstar has faced many labor disputes and falling profits, off 25% over the last two years. Management consultant McKinsey & Co. was brought in a few years ago, but without much visible effect so far.

Like most *chaebol*, Lucky-Goldstar is criticized for not spending enough on R&D. It may have felt little need to: During the mid-1980s the Korean won was cheap, and the *chaebol* had no trouble selling their goods. But under U.S. pressure the won has risen against the dollar, which has risen itself. Meanwhile, annual inflation in Korea is at 10% and wage demands keep escalating. Today, the *chaebol* realize reduced cost-competitiveness can best be fought with productivity, quality and innovation. That means spending more on R&D and—witness Lucky-Goldstar's new Zenith stake—on foreign investments. –W.H.

Taiwan

Hsu family

Douglas Hsu, 48, is chairman of the Far Eastern Textile Group. " 'Textile,' " says Hsu, "is basically a misnomer." Indeed. His father, Y.Z. Hsu, 79, began with a Shanghai knitting factory, and today the business manufactures polyester and other synthetic fibers. But most of the group's estimated $450 million profit comes from cement, finance and other nontextile activities.

The Hsu's Asia Cement, Taiwan's number two producer (1990 sales, $368 million), is increasing capacity by 34%, to benefit from Taiwan's $300 billion, six-year infrastructure development program now getting under way. The family also owns Far Eastern Department Stores (a 12-store chain) and two hypermarkets that cost at least $50 million each. They own one of the country's most profitable brokerage houses, and shipping and construction interests. The stakes held by the Hsus, led today by Douglas, a Columbia University grad who cut his teeth as a salesman at Far Eastern Textile Group, are worth over $1.5 billion. –A.F.

Y.C. Wang

Last year Y.C. Wang caused a stir by talking to Beijing, Taiwan's old enemy, about building a $6 billion naphtha cracker on the mainland. The smart money said it was a ploy to force Taipei into letting Wang expand on Taiwan instead. But now Taiwan has given up pretending it is trying to suppress the communist "rebellion."

Yet Wang now looks likely to build on both sides of the Formosa Strait, probably Taiwan first. "The [Taiwanese] premier is pushing very hard for this plant to be built in Taiwan," says a Taipei source. Wang's original Taiwan proposal was a $2.2 billion complex to produce ethylene, a basic building block in plastics. Observers say this has been stalled by environmental protests. On the mainland, Wang might build an export-oriented polymer plant. It seems safe to predict that by the mid-1990s Wang, now 74, will have shrewdly catapulted Formosa Plastics Group further past competitors. He's already worth more than $1.2 billion, not even counting expansion in Asia or the U.S. –A.F.

ABOVE:
Y.C. Wang
Formosa Plastics on both sides of the Formosa Strait?

Tsai Wan-lin and family

Tsai Wan-lin, 66, runs family-dominated Cathay Life Insurance Co. cautiously, benefiting from a more than 50% share in a scarcely developed life insurance market growing 20% a year. Smaller competitors are coming up from behind. Cathay and other Tsai assets are worth some $2 billion. –A.F.

Chang Yung-fa and family

Chang Yung-fa, 64, built Evergreen Group into a container shipping power by undercutting others' rates. Now overcapacity has been undercutting

RIGHT:
Evergreen's Chang Yung-fa
Optimistic—but currently overtonnaged.

everyone's rates, including Evergreen's. But Chang is betting heavily on another round of expansion in Taiwan. He is investing in a new airline, EVA Airways Corp., which will begin competing with state-managed China Airlines in July, and in new luxury hotels in Southeast Asia. Even after a down year, Chang is believed worth at least $1 billion. –A.F.

Kerry Packer, Oz's sole billionaire **Publishing mogul and prize-winning polo player.**

P. Rogers, Sygma

Koo family

Taiwan's government finally wants to open up the island's financial system, and the Koo family's political connections guarantee it a commercial bank license (19 other applicants are fighting for licenses).

Besides political connections, the Koos have the experience. Their China Trust Co. is active in commercial paper and started Taiwan's first credit-card business. A banking license will let it take checking deposits and lend short term on the island as the China Trust Bank in New York already does.

But why do the Koos want to expand in banking? Taiwan's largest cities, especially Taipei, are already considered overbanked. "I'm mystified how you could make any money at [commercial banking]," says one analyst in Taipei. China Trust seems likely to hold off an expected public offering until a widely anticipated shakeout runs its course.

The Koos' Development Corp., the industrial arm, is in everything from advertising to petrochemicals, but it is the financial base that puts Jeffrey Koo, 57, uncle Koo Chen-fu, 74, and relatives over $1 billion. Commercial banking would increase their powerful grip on the bustling island's financial industry. –A.F.

India

Birla family

Rajiv Gandhi's assassination is just one more political crisis to the Birlas' extensive business empire, one among many they've survived—to go on prospering. For supporting the Congress Party in India's independence struggle in the 1940s, the Birlas, then led by G.D. Birla (d. 1983), got valuable licenses in core industries, like jute; later came cement, power, aluminum and then petrochemicals. They built their $1.2-billion-plus fortune producing with reasonable efficiency what India needed for development. After G.D.'s death, the family's five branches split; his favorite grandson, Aditya, 47, inherited about 45%. MIT-educated Aditya is chairman of the top Birla companies, including Hindustan Aluminum and Grasim Industries. His cousin, Chandrakant, runs Hindustan Motors. Last year combined revenues of the Birlas' 60 or so public companies topped $3 billion, up 25%. Profits climbed 30%; market value, 17%, to $3.6 billion. The Birlas have an aggregate stake of about 25%.

India has recently been lucky: Three good consecutive monsoons—plenty of rain, evenly distributed—and, consequently, an excellent harvest. This masks basic problems: India also needs sound economic policies. Past policies have led the Birlas, like other talented Indian businessmen, to invest in less-regulated foreign economies. Aditya runs major Southeast Asian operations, with aggregate turnover of $1 billion. These include the world's largest palm oil refinery, in Malaysia, and thriving textile and chemicals businesses in Thailand, Indonesia and the Philippines.

Rajiv Gandhi understood that the best way to develop his country was to get the government off the backs of India's entrepreneurs. Will his successors understand? They say they do. Aditya Birla is optimistic. "The long-term future," he says, "should be good." We'll see. –M.K.

Australia

Kerry Packer

Australia has few tycoons left. Robert Holmes a Court is dead of a heart attack. Alan Bond's empire is in ruins. When Kerry Packer suffered a near-fatal heart attack last fall, Australians held their breath. But eight days after a quadruple bypass, Packer, 53, went back to work. Now he's guiding his $1.5 billion fortune (mostly Consolidated Press Holdings) through one of Australia's worst recessions ever.

Packer's greatest coup last year was reacquiring Nine Network Australia Ltd. from Alan Bond after Bond defaulted on Packer's $200 million of preference shares. Packer wound up with 39% of the common, worth $240 million. With the other Australian networks in receivership, "the Nines" garners a hefty 42% market share. Packer's investment in Australian National Industries is also paying off. After selling assets, ANI is now mainly a maker of mining and engineering products. Packer's 47% was recently worth $415 million, up 31%.

What next? Packer's company claims to have over $600 million cash and is eyeing Australia's Fairfax Group of publications, which collapsed after going private on too much debt. Cross-ownership rules limit Packer's buying to useful pieces of Fairfax rather than all. Amidst all this, he finds time for polo: He won the coveted Queen's Cup in England. Packer created an uproar in West Sussex, U.K., when he bought and leveled some 600 acres—for growing experimental grass, he says. No one has accused him of lacking a sense of humor. –K.W.

Europe

France

Michel David-Weill

Michel David-Weill, 59 and head of the Lazard Freres banking empire, is in a mood to talk about investing. "Fashion is a great temptation, but don't play at a sport you don't know," he counsels a FORBES reporter. "Consider your true strengths and recognize your structural weaknesses—don't play football if you weigh 120 pounds."

Three Lazard brothers opened a dry goods store in New Orleans in 1848. Then they headed west and ended up buying and selling gold. With the profits, they opened a Paris *banque d'affaires* and a merchant banking arm in London. Michel's great-grandfather, Alexandre Weill, married into the Lazard family, later set up the New York firm in 1880.

In the 1980s other investment banking firms plunged into bridge financing or risk arbitrage. Acting on his own admonition to play to one's strengths, David-Weill resisted the temptation. "I strongly believe in a service concept of investment banking," he says. "This is not a trade where you have a steady business. You are totally on your own. . . . In truth there is no safe investment—so there is no safe business."

Within the firm, David-Weill brings in good people—it is considered his specialty—and then lets them alone. "When people are very good at what they do, they work well together," he says. "Lazard is a place where an individual can make a difference." But he qualifies this: "You must keep it small, it doesn't work in a very large firm."

Has it worked? Combined pretax profits for the three houses were an estimated $300 million in 1989 and $350 million in 1990. David-Weill's interest and other assets are estimated at well over $1 billion. This is his first appearance on the FORBES billionaire list. –D.A.L.

Michel David-Weill

Know thy sport.

Seydoux/Schlumberger families

These related families own $3.2 billion of stock in oil-services giant Schlumberger. Nicolas Seydoux, 52, owns two-thirds of Paris-based film production and distribution company Gaumont. Brother Jerome, 57, runs Chargeurs, a textile and media conglomerate. It has a lot of cash; Jerome wants to do deals.

Serge Dassault and family

Dassault Aviation S.A.'s Mirage fighters and their Iraqi pilots did not cover themselves in glory during the Gulf war (FORBES, *Mar. 4*). But then 66-year-old Serge Dassault, the son of legendary aviator and industrialist Marcel, who died in 1986, has said he plans to cut military business from 70% to 55% of sales. He intends to fill the gap with increased orders for Dassault's popular Falcon business jet, and with contracts on the European Space Agency's Hermes space plane, an effort to compete with the U.S.' shuttle. Hermes production contracts may be awarded in early 1992 for a manned flight by 2001.

The family owns 50% or so of Dassault Aviation, worth $375 million. But electronic, computer, communication and medical research stocks worth over $600 million bolster the fortune Serge Dassault shares with his mother and brother. –T.G.

Peugeot family

A few years back, Peugeot S.A. Chairman Jacques Calvet promised the old-line French Protestant family that controls the company that he would overtake VW and Fiat by 1993. So far, Peugeot has slipped from number

Tom Craig/SEA

Andrew Sacks

TOP AND RIGHT: L'Oreal Paris; Liliane Bettencourt **Serve all, watch the demographics; promote, promote.**

LEFT: Serge Dassault; Rafale fighter **What to do about peace?**

three to five in the European auto industry in terms of market share. Peugeot remains small in the surging German market.

The stock fell 40% from January 1990 to January 1991 but has since recouped by 30%. Board member Pierre Peugeot, 59, and family own 23%, now worth $1.4 billion.

In March Calvet, 60, launched in France Peugeot's Citroen ZX, a mid-priced car that got excellent notices in French auto publications. While Peugeot has shown it can operate profitably against European competition, it has yet to face its biggest test: the Japanese auto invasion of Europe that is just getting up steam (FORBES, *July 8*). Not surprisingly, Calvet is outspoken in demanding that France and the EC put up political barriers to Japanese penetration. –T.G.

Alain Wertheimer and family

Longtime suspects for this list, the low-profile family behind the haute couture and perfumes of Chanel finally appears this year. Gabrielle (Coco) Chanel, originally a hat designer, took wealthy French businessman Pierre Wertheimer (d. 1965) as her partner three years after her launch of Chanel No. 5 in 1921. For a time, the partners reputedly were also lovers. Wertheimer got the best of the deal: 70%, with 10% to Coco and 20% to the friend who introduced them. For decades Coco tried to renegotiate the agreement. She died in 1971, unsuccessful (FORBES, *Apr. 3, 1989*).

After 70 years, Chanel No. 5 remains one of the world's bestselling fragrances. The Wertheimers now own all of Chanel through Swiss holding company Pamerco (1989 sales, $502 million); it is run by Alain, 42, Pierre's grandson. Since 1984, ten Chanel boutiques—selling clothing and accessories as well as fragrances—have opened in the U.S. Chanel now also ranks number four in sales of prestige watches. Launched this April in the U.S. is its new men's fragrance, Egoiste. Chanel sees the men's business as "the last frontier," says a spokesperson.

The family fortune is more than $1 billion. –T.G.

Liliane Bettencourt

Liliane's father founded L'Oreal. Welshman Lindsay Owen-Jones, 45, now builds its cosmetics market share—about 12% worldwide, an impressive 3-point gain since 1988.

How?

By serving all levels, luxury to mass market; if one sector sags, others pick up the slack. By watching demographics. Is the market getting older? Out come Plenitude, the skin care line, and Coloratives, hair care for dyed hair. By spending heavily to promote products. "L'Oreal doesn't launch a new product, it launches an entire line in a newly discovered market category," says Elizabeth Eagles, president of the Creative Market Place, a retail consulting firm.

Liliane, 68, would be worth more than her $2.1 billion had she not swapped 27% of L'Oreal for 3% of Nestle back in 1974. Nestle has an option on Bettencourt's remaining 28% of L'Oreal, due 1994, but Liliane will likely keep it for daughter Francoise. France's richest woman lives

quietly in a posh Paris suburb with husband Andre, who is on L'Oreal's strategic committee. –T.G.

Mulliez family

Gerard Mulliez introduced hypermarkets to France. The family owns 85% of $9.5 billion (sales) Groupe Auchan, and other retail interests. The family's net worth: around $2.2 billion. Auchan is expanding into Italy. In the U.S., Auchan has sold its two Chicago-area hypermarkets but retains one near Houston. It plans to add stores in the Houston area after the first starts to turn a profit.

Bouriez family

Philippe Bouriez and his siblings share ownership of Cora-Revillon-Editions Mondiales, a French hypermarket, luxury goods and publishing empire FORBES estimates to be worth around $1.3 billion. Ten years back Bouriez bought Revillon, the famous furrier, but now has it up for sale. He's investing instead in Truffaut, a gardening center chain.

Vuitton family

The Vuitton family, led by Henry Racamier, 79, holds $1.3 billion of the luxury-goods giant LVMH he built on his wife's family's business, Louis Vuitton. Forced out of LVMH by new stockholders, he's selling shares and has started what is to be a new luxury-goods giant, Orcofi (FORBES, *May 27*). As they say, don't get mad, get even. Watch out, LVMH. –H.S.

United Kingdom

Gerald Cavendish Grosvenor

Father to two young daughters, the sixth Duke of Westminster, 39, needed a male heir to whom to pass his title. Happily, in January, his wife, Natalia, gave birth to Hugh, next in line for the family's $2-billion-plus property fortune.

Things are moving on the real estate front, too. Grosvenor International Holdings, the duke's global property development arm, based in Vancouver, B.C., has been lining up U.S. pension funds for partnerships, to begin in 1992, in France, Germany and the U.K. Deals in Italy, Holland and Spain may follow. This is big news from Grosvenor: Until now, the family has always stuck to the English speaking world, whose laws and customs it understood. But so great are the European opportunities that Grosvenor can't stay away.

The basis of the Grosvenor fortune is prime London real estate in Mayfair and Belgravia, received as a dowry in the 17th century. The current Grosvenor isn't into quick paybacks. As one insider puts it: "We look normally on a 10-to-15-year horizon." –A.F.

Sir John Moores and family

Generational transitions are never easy, and Littlewoods Organisation plc., Britain's famous low-end retailer and football-pools operator (1990 profits, $160 million), will probably be no exception. Sir John Moores, the company's founder, is 95, and his heirs have long been squabbling.

There are already preparations. Littlewoods' mail-order business, the U.K.'s second largest, is for sale; the estimated price: $820 million. Two German companies have expressed interest. What's important for the Moores family is that Sir John's heirs—who among them own almost all of the company—can cash out, at least in part, even before his death.

Son Peter, 59, took over in 1977, but plummeting profits brought back Sir John. Elder brother John Jr. and his children have long been trying to thwart Peter from reasserting himself. Says a local analyst: "It's like watching *Dallas* or *Dynasty*." –A.F.

Robert Maxwell

This has been a busy spring for the Bouncing Czech. In April he bought New York's troubled *Daily News* from Chicago's Tribune Co. Later that month Maxwell floated 49% of

Robert Maxwell with new possession

Can New York unions be any tougher than U.K. unions? Watch.

his formerly private Mirror Group Newspapers plc. for $395 million. Mirror needed money to repay debt. Within two months, the price of the shares fell by 8%.

Similarly, the balance sheet of the already public side of Maxwell's media empire, Maxwell Communication Corp. plc., groans under a debt-to-equity ratio of 130%. And that's after selling off Pergamon Press for $740 million and pawning off other MCC subsidiaries to Mirror (FORBES, *Dec. 24, 1990*).

Maxwell, 68, appears to be more interested in expansion than in his daily operations, and is stepping down as MCC chief executive in favor of son Kevin, 32. Maxwell says he will focus on Mirror Group and his private holdings. He also considers small deals in Eastern and Central Europe, the Soviet Union and Israel. Even in these difficult times for leveraged media companies, Maxwell's net worth is around $1.9 billion. –A.F.

David Sainsbury and family

The Sainsburys own about half the shares of J Sainsbury plc., a 122-year-old family business that owns Britain's second-largest and most profitable supermarket chain. Their holding is worth $5-billion-plus. The chain nets an impressive 7.9% on sales (which were $13.4 billion last year). A concentration on house brands accounts for some of this profitability. A low dividend and a high reinvestment rate assure steady growth. The company recently proposed a new rights issue to raise $803 million.

In 1983 the Sainsburys invaded the U.S., buying New England's Shaw's chain (sales, $1.8 billion), which is now 70 stores strong. Shaw's has suffered from the region's recession, but in a family like this you think for the long term.

Is more U.S. expansion in the works? The 50-year-old David Sainsbury, who will eventually succeed his cousin John, 63, as chairman, says the family has no interest in buying a big U.S. chain like Pathmark, which is currently being shopped in Britain. But, he adds: "Another small retail chain that was contiguous to Shaw's—we would undoubtedly look at that." –A.F.

Samuel Lord Vestey and Edmund Vestey

The Vesteys own some 20 principal companies on six continents, which together are worth upwards of $2 billion. The companies, which are all privately owned, have grown from the family's 19th-century beginnings, importing meat from South America and poultry from Russia to feed the British working class. The family's most visible asset today is J.H. Dewhurst Ltd., the chain of upper-class British butcher shops that accounts for 15% of the group's sales.

Samuel Lord Vestey, 50, and cousin Edmund, 59, run things. Insiders say Edmund will retire soon, letting eldest son Timothy, 30, represent his side of the family.

Whoever's in charge, expect the family to increase sales in Europe. Currently, the Vesteys have only 10% of their $2.5 billion (sales) business on the Continent. Plenty of scope for expansion. –A.F.

Greece

John Latsis

Latsis, 81, built his $1.3-billion-plus shipping/oil empire on friendship with the Saudi royal family. This has included such gestures as giving King Fahd a $35 million yacht, named *Abdul Aziz*, that's been called the world's most opulent.

But Latsis' biggest deal with the Saudis—building an estimated $2 billion refinery in Rabigh on the Red Sea—is in trouble. By startup in late 1989 it was over budget, and it has the worst financial returns of any large refinery in the Gulf Arab states. The Saudis don't plan to put more money into Rabigh, but that's unlikely to worry Latsis. He and his economist son Spiro still have plenty of Saudi friends. And they have been busy in private merchant banks in London, Switzerland and Athens. –A.F.

Barry Lewis

Stavros Niarchos with sons

Stavros wasn't a poor rich kid.

Stavros Niarchos

Stavros Niarchos, now 82, was brilliant and ruthless in accumulating the best ships, racehorses and paintings. His famed shipping fleet has been reduced by about a third over the last ten years, to 24 vessels, and is now run by professional managers in London, Piraeus and New York.

The next generation, impeccably educated, are considered poor little rich kids. There is eldest son Philip, 38; Spyros, 35; Maria, 33; and Constantine, 31, who once worked for Salomon Brothers. Niarchos has another daughter from his short-lived liaison with Charlotte Ford.

Expect family trusts with stringent clauses to guard Stavros' $1-billion-plus fortune. –A.F.

LEFT:
Gianni Agnelli with friends
The EC car market is no joyride.

RIGHT:
Silvio Berlusconi, French TV station
A major entertainment group for Europe.

Goulandris family

The Goulandris family sprang from Captain Ioannis Goulandris of the isle of Andros, and its shipping fleet grew vast under him and five sons. But now about 30 descendants share $1.3 billion split into three companies. The family's New York-based Orion & Global Chartering sold part of its fleet in 1986, and the family collects impressionist and modern art (they are big in Kandinsky). London-based family members still own ships and have significant money in passive investments. –A.F.

Italy

Giovanni Agnelli and family

Agnelli, 70, works hard to protect his family's $4.3 billion fortune. He must make their conglomerate, Fiat, a competitive "Pan-European" company for 1992 and beyond. That means making Fiat number one or two in all its markets, especially in Europe. Hence a rash of acquisitions and strategic alliances that account for an ever-increasing amount of revenues ($50.7 billion in 1990). The commercial truck division, Iveco, acquired Spanish truckmaker ENASA-Pegaso. The farm and construction machinery division, Fiat Geotech, bought 80% of Ford New Holland in Pennsylvania. The new company is second largest worldwide, behind John Deere. And so on.

Cars are 49% of Fiat's sales, and the ratio is slipping. Its Italian market share fell from 58% to 53% last year, mostly because of Ford's new Fiesta and Escort. Fiat is investing $4.5 billion in two plants in southern Italy, where it can get government credits, to fight weakness in the home market. Fiat prays that the European Community will restrict Japanese imports until 1998.

Agnelli's trying to resuscitate car operations, too. Talks with Chrysler last year fell through. Fiat is pushing hard to improve its cars' poor reputation for reliability. And aggressively chasing the Eastern European and Soviet market.

Younger brother Umberto, 57, next in line for Fiat's chairmanship, manages one of the family's three holding companies, IFIL. It, too, is making strategic alliances—with BSN, the leading French food and beverage concern, and with ACCOR, a French hotel and leisure operation. Citicorp recently bought a minority stake in IFIL. After Umberto? Uncertain. Last fall Giovanni's only son, Edoardo, 37, was cleared by a Kenyan court of a charge of heroin possession. –T.G.

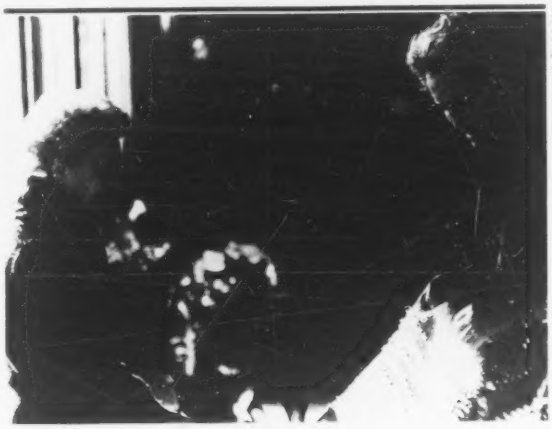
Silvio Berlusconi

The new Italian antitrust media law that takes effect beginning next month will force media magnate Berlusconi to sell Milan daily *Il Giornale* by August 1992. But his private holding company, Fininvest SpA (1990 revenues, $8.4 billion including Mondadori), will finally be allowed to broadcast live, which means a great deal of income from sports and news.

That will propel Berlusconi where he is already going: building a major international entertainment group in film, television, books, magazines and newspapers. In a joint venture, he is investing $110 million to produce six major U.S. films. And Berlusconi has won control of Mondadori, one of Italy's top publishers. All to build on a net worth estimated at $1.7 billion. Silvio, 55, is also a noted collector of old masters and modern art. –T.G.

Ferruzzi family

Raul Gardini is suddenly out as chairman of Serafino Ferruzzi Srl, family holding company for all Ferruzzi businesses. He was replaced by the founder's son (Gardini's brother-in-law), Arturo Ferruzzi, 51. "A logical evolution," says a spokesman, after



Luciano Benetton
He and three siblings built a world apparel retailing power. As it starts to mature, they're building a sports retailing power.

Gardini's decision last fall to quit as chairman of both chemical and agribusiness giant Montedison, which Ferruzzi controls, and the holding company, Ferruzzi Finanziaria SpA.

The ouster was orchestrated by other family members on the board. Speculation about the upheaval abounds. Arturo Ferruzzi says that the company will continue to be run by the same strategy Gardini implemented. The strategy has included selling Montedison's chemical joint venture, Enimont, back to the Italian government; merging Montedison with its parent; and striving to make chemicals, pharmaceuticals and energy sales ($5 billion) as big as agribusiness ($8.5 billion) in five years. And buying 40% of Italian TV broadcaster Telemontecarlo.

Gardini, 57, now has the time for Montedison's $40 million bid for the 1992 America's Cup. Muses one analyst: "We haven't heard the last of him." –T.G.

Benetton family

Edizione, the talented Benetton family's private holding company, tightened its grip last year on sports retailing. It added Prince, the U.S. tennis racket manufacturer, for $220 million; Kastle, an Austrian skimaker, about $55 million; Italy's Asolo, which makes hiking boots; a maker of sunglasses and a 50% share in Minneapolis-based skatemaker Rollerblade.

At the clothing stores, Benetton (6,000 stores worldwide) is consolidating. In saturated U.S. (where it is fighting lawsuits) and European markets, it's putting in larger stores at more central locations instead of little stores seemingly everywhere; it also halved its dividend to have more funds for expansion and acquisitions. And it is turning its formidable marketing and sales efforts to Eastern Europe and Asia. Color the four Benettons in at some $1.7 billion. –T.G.

Salvatore Ligresti

Sicily's Salvatore Ligresti, a self-made billionaire long dogged by unproven insinuations of Mafia connections, controls Milan's Premafin Finanziaria SpA, a holding company with operations in real estate, construction and insurance. A board member of Mediobanca and Credito Italiano, Ligresti also won a contract to build three Frontierland facilities at Walt Disney Co.'s new EuroDisneyland, outside Paris. –T.G.

Michele Ferrero

Michele Ferrero's namesake family company, worth some $1.6 billion, makes Tic Tac mints and Nutella, the chocolate-hazelnut spread. Last year the second-generation confectioner won his bid to own 24.5% of the troubled, government-owned SME sweets company. Another Italian firm will own an equal percentage, and one or both are expected to run it. –T.G.

Spain

Koplowitz sisters

Spain's steamiest sex scandal is now history, and the Koplowitz sisters—Alicia, 39, and Esther, 41—are back in charge of their $1.2-billion-plus empire.

Called *las Marquesas* by the Spanish press, the Koplowitz sisters are the daughters of Ernesto Koplowitz, a Jewish refugee from Nazi Germany who built the family's fortune with a

Alicia (top) and Esther Koplowitz
Never trust an Alberto.

construction company, Construcciones y Contratas (Conycon for short). With their father's death in 1962, the sisters came under the wing of his partner, Ramon Areces, a regular on the FORBES billionaire list until he died in 1989.

Las marquesas married two cousins, both named Alberto—*los Albertos*. They, too, thrived under Areces' tutelage—until 1987, when they made a run at Spain's biggest bank, Banco Central. Their failure cost millions of pesetas.

Two years later *los Albertos* had even worse luck: Paparazzi photographed each with a mistress in public tow, setting off lurid publicity. The sisters could forgive their husbands the loss of a few million pesetas. They did not forgive them their mistresses.

Legally separated from the Albertos, the sisters again have firm control of their 100%-owned Conycon, their 60% of another large construction firm, Focsa, and 60% of big cement manufacturer Portland Valderrivas. Not to mention $250 million retrieved in a stock buyback following the Banco Central fiasco.

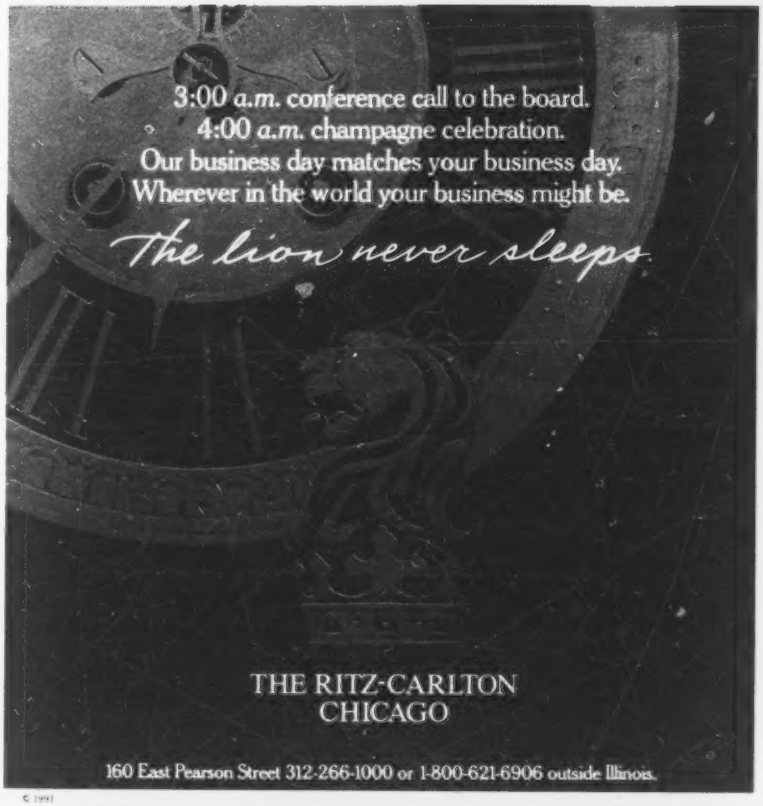
Los Albertos? They came away with 30% of another bank, Banco Zaragozano, worth an estimated $100 million. —J.M.

March family

The March brothers—Juan, 51, and Carlos, 45—are worth some $1.3 billion. They control holding company C.F. Alba, which owns big construction firms, and banks (Banco Urquizo and Banca March, plus 60% of Banco del Progresso). They expanded from banks to building materials far ahead of the Spanish building boom. Now they're moving to pay-per-view television as Spain enters the First World. —J.M.

Botin family

The Botin family, headed by Emilio Jr., 56, and worth over $1.6 billion, is shaking up Spanish banking with its Banco Santander: last year, 11% interest on checking accounts; this year, 2



points off mortgages. But its market share jumped 40%, and it will be ready for rougher, 1992-style competition.

The family is also extending its international presence. In March it bought 13% of the U.S. bank First Fidelity. It already has a strategic alliance with Royal Bank of Scotland (and a 10% stake). And its traditional presence in Latin America is growing. Santander is now the second-biggest bank in Puerto Rico; late last year it picked up the S&L Caguas Federal in an RTC fire sale. Let other Spanish banks stay mainly in Spain. –J.M.

Sweden

Hans and Gad Rausing

Getting bigger—and bigger. Early this year Hans and Gad Rausing's Tetra Pak International S.A. ponied up $2.9 billion to buy Sweden's Alfa-Laval A.B. from the Wallenberg family *(see p. 216)*. Little known outside their native Sweden, the Rausing brothers are among the world's biggest billionaires, owning a business worth some $9 billion.

The family hit the big time barely two decades ago when the brothers' father patented a box-shaped container that keeps spoilables like milk fresh for months without refrigeration. From that start, Tetra Pak has become a global giant, with estimated profits of $700 million on sales of $4.2 billion last year.

While both the brothers own the company, it's Hans, 65, who minds the store; Gad, 69, is vice-chairman. Both live in Britain as tax exiles from their homeland.

Why did they buy Alfa-Laval? Already the predominant "aseptic" packager in 109 countries, Tetra Pak is running out of room to grow. Its prospects in the U.S. are limited, partly because Americans dislike the sterilized milk required for aseptic packaging; and last year Maine banned the packages as nonrecyclable.

The Alfa-Laval acquisition offers growth in a closely related business. Alfa-Laval's packaging machinery will supply large, turnkey production lines anywhere; previously Tetra Pak could build its specialized equipment only into plants equipped by Alfa-Laval or its principal competitor, APV plc., of Britain. –A.F.

Ingvar Kamprad

Kamprad, 65, built his $2.5-billion-plus fortune with Ikea, which makes modestly priced furniture. He himself lives modestly, and takes his time making investment decisions. Montreal hotelier Jonathan Myette, 35, found this out.

Myette had five hotels and wanted to start a chain. Looking through an Ikea catalog, he decided he wanted to attract the same value-conscious customers who shopped at Ikea. Myette

Sweden's shrinking pie

IT HAS DAWNED on Sweden that joining the European Community means the "Swedish model" is out; increasing growth, along German lines, is in.

"We have seen such a long period of sluggish growth," says economist Lennart Ohlsson. "People see that we have had a zero-sum game for a long time and that there is a need to do something about it." Hans Tson Soderstrom, director of the SNS-Center for Business and Policy Studies, a private economic think tank in Stockholm, says the Social Democrats, the Liberals and the Conservatives all believe that growth is now more important than redistributing income. "There is," Soderstrom says, "a consensus."

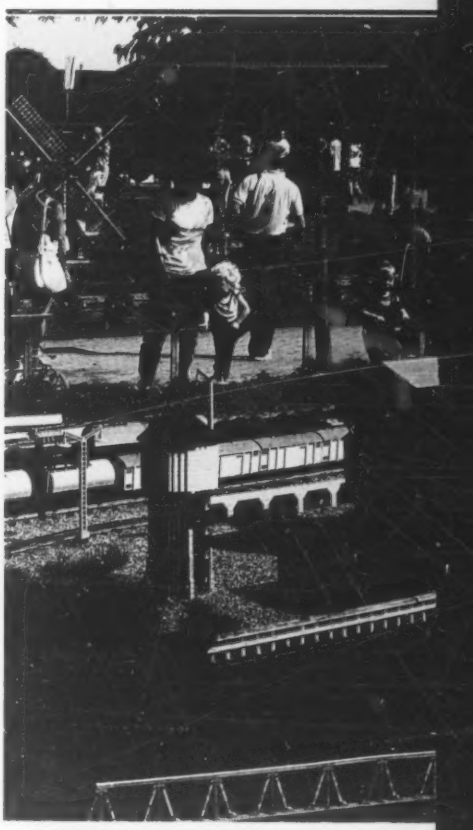
One visible sign: the government's plan to make inflation its top priority. This will mean defending currency exchange rates, letting unemployment rise and slowing if not cutting government expenditures—a major change from Sweden's old ways.

Sweden's current economic trends are among the worst in Europe. GDP grew near an average 3% in EC countries last year, and pushed 4.5% in Germany (pre-unification). Sweden's dropped from 2% or so in the 1980s to under 1% in 1990. This year, most expect decline. Swedish inflation hit 10% in 1990 (the recent tax reform added three percentage points), but compare that with near 5% in the EC and around 3% in Germany. The Swedish stock market plunged, pushing real estate developer Fredrik Lundberg off this list. Only unemployment remained relatively steady, at around 2%. For now.

But if Sweden is to join the European Community (it says it wants to, and it will probably be admitted) inflation must be tamed or trade will suffer: Currency devaluation will no longer be an option. Not joining and remaining on the periphery of Europe could mean capital flight and trade losses.

Already there have been structural changes. The tax burden has shifted: Personal taxes dropped to a top marginal rate of 51% this January from 72% in 1989 and capital income taxes were standardized at 30%. Direct foreign investment rules are being liberalized toward EC standards. "Sweden is going to have a common market profile, like Germany, Belgium or Holland," says Ronald Fagerfjall, editor of *Affarsvarlden* (Business World), one of Sweden's leading business magazines.

How will Swedes deal with the pain that accompanies a transition to a hard market economy? The emphasis on employment and social spending of the past has ill prepared these 8.4 million people for an unprecedented but expected unemployment rate of 5%, maybe even 6%. The growth rate of money wages that has hovered around 9.5% will have to fall in line with the European average of 6.5%. And long run, Sweden will need to cut government spending. Now roughly 60% of GDP, mostly for one of the world's most comprehensive social spending programs, that figure will have to move toward Germany's 47%. Achieving that will be the real test for Sweden. –A.F.



Ingvar Kamprad, financier

Ikea stores succeed in the U.S.

wondered if Ikea would be interested in backing his hotels, which he decided to call Sweden Inns.

Myette pitched the idea to Kamprad and six months later received a terse fax: Kamprad would be paying a visit to Montreal's Ikea store. Be there at 11 a.m.

Kamprad toured Myette's two operating hotels and went over his business plan. Something clicked. "We were walking down the stairs," recalls Myette, "and he gave me a hug and said, 'You'll hear from me in the future.'"

Then came the number crunching. Three months later, another fax invited Myette to a U.K. Ikea board meeting, then to Holland to go over his financials. Finally, 26 months after he first wrote to Kamprad, Myette received the tersest fax of all: Congratulations. Kamprad's personal investment company, InterIkea Holdings, would put up more than half of the money on the 50/50 joint venture.

Next year the 158-room Montreal Sweden Inn—advertised in the Ikea catalog and furnished by Ikea—will open. The ultimate plan: hotels in towns near Ikea stores (Ikea has 95 stores, in 21 countries). It's not a huge deal for Kamprad. But he took the time to research it. That is how smart people conserve and expand their capital. –A.F.

Denmark

Kristiansen family

How was LEGO Group able to rack up an 18% sales gain in the U.S. last year, to an estimated $200 million, when the $13 billion U.S. toy market has been stagnant since the mid-1980s? It's called penetration. LEGO, which sells $900 million of its toy blocks in 118 countries, figures that 75% of U.S. homes with children under 15 have at least one set of LEGO, priced from $1.50 to $149.99.

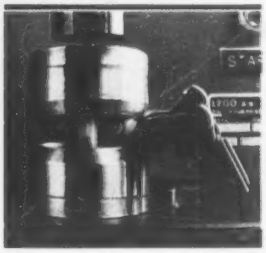
Kjeld Kirk Kristiansen, the closely held company's 43-year-old, third-generation president, lovingly tends this sure, steady winner, which has made the family worth about $1.3 billion. Quietly in the works: a product to appeal to girls 7 and up, who typically prefer Mattel's Barbie. Mattel, beware. "What you're dealing with," says David Leibowitz, an analyst at American Securities in New York, "is the finest niche company in the business today." –A.F.

Netherlands

Anton Dreesmann and family

Anton Dreesmann, 68, has faced crippling strokes. Now the family company, Vendex International, faces business reverses. The family's Vroom & Dreesmann department store chain has been allowed to decay. Paternalis-

LEGO's Kjeld Kirk Kristiansen
The product (below); its possibilities (left). Is this the perfect toy?



tic Anton delayed the necessary firing of hundreds of longtime employees so long that now the layoffs may number in the hundreds. The stores are only now getting long overdue face-lifts.

Elsewhere, Vendex has tried to sell its 79% of investment bank Staal Bankiers. The sizable Brazilian retailing operations are suffering, and U.S. home-improvement chain Mr. Goodbuys has filed for Chapter 11. Fortunately, Dreesmann started buying stock in Arkansas-based Dillard Department Stores in 1978, eventually accumulating a 41% stake. Dillard has been doing brilliantly; the investment has kept the Dreesmanns among the billionaires. But Vendex sold the last of its stake in April 1990. –A.F.

Brenninkmeyer family

From behind its guarded compound near the Dutch-German border, the secretive Brenninkmeyer clan continues to expand its holdings in the U.S. The Netherlands family already owns eight U.S. regional clothing retail chains with over 1,200 stores. These include Miller's Outpost in California and the Southwest, JByrons in Florida, Steinbachs in New York and the Northeast and Uptons in the Southeast. The family's C&A chain in Europe, a middle-market department store, is far larger.

There are Brenninkmeyer stores in 12 countries—in Germany alone there are 165 big ones with combined sales of $4.5 billion last year. Worldwide, the family business probably moves over $10 billion in goods annually.

The business has grown slowly and steadily since brothers Clemens and August Brenninkmeyer opened a dry-goods shop in Holland's Sneek in 1841. How much is the family worth? A conservative guess would be $4.2 billion.

Roelandus Brenninkmeyer, fourth generation, a Harvard M.B.A., lives in the New York area and presides over the U.S. chains through a holding company, Amcena. The 200-member Catholic family sometimes sends its children to university under assumed names. Sons, on graduation, can join the business or a religious order. Sums up Richard Hyman, at Verdict Research, London, "[The family] has no relationship to the outside world except to its customers." –A.F.

Fentener Van Vlissingen family

This spring Noro Group shareholders accused chief executive John Fentener Van Vlissingen, 52, of swapping assets between himself and the group's U.K. property fund. The result, they charge, was that Fentener Van Vlissingen made tens of millions of dollars at a time when the value of the shares took a dive. Though still unproven, the charges have left a blot on the name of one of the Netherlands' richest and most powerful families. The company says shareholders are merely griping over falling property prices—but is setting up a new supervisory board to watch things. Money manager to Europe's superrich, Noro Group has some $3 billion in funds under management; about $1 billion said to be family money.

Brother Paul, 50, runs Holland's SHV Holdings N.V., the heart of the family fortune. A coal power before World War II, it is now in oil, gas and propane and owns Makro, a chain of wholesale stores that typically teams up with investors in the country in which the stores operate. Older brother Frits Henry, 57, manages Flint Holding, a small investment company. SHV alone is worth over $1.3 billion. –A.F.

Switzerland

Klaus Jacobs

So far the $1.4 billion Jacobs got last year from selling his Jacobs Suchard candy and coffee conglomerate to Philip Morris has been burning a hole in his pocket.

E.J. Brach, the troubled Chicago-

based confectioner that Philip Morris didn't want to buy, has cost him a pretty penny.

One thing he's done seems an odd fit: buying 53% of Lausanne-based Adia S.A., the world's second-largest provider of temporary personnel services. But another buy, 50.1% of Allgemeine Finanzgesellschaft, a small Swiss investment company, makes some sense: Maybe it will help Klaus decide what to buy with the money he has left. Jacobs, 54, still has some chocolate and coffee interests, four banks, an Argentine sheep farm and a charitable foundation. –A.F.

Maus/Nordmann family

The Maus and Nordmann cousins head Switzerland's leading retail chain, but they're struggling with their U.S. expansion. In 1989 their Geneva-based Maus Freres S.A. paid $450 million for Chicago's ailing Carson Pirie Scott through its U.S. department store operation, P.A. Bergner. Despite cost-cutting and the spinoff of nonretail units, Carson is believed to have lost money last year. Moving the stores downscale hasn't helped with loyal customers, either.

Yet their 80 Swiss stores are profitable, with total group sales of over $5 billion. The family also controls Paris-based Au Printemps, which recently bought the U.K. mail-order house Empire Stores. The Maus (Jacques, 62; Bertrand, 59; and Olivier, 47) and Nordmann (Gerard, 61, and Philippe, 59) cousins are worth some $1.7 billion. At home, they must know what they're doing. –A.F.

Schmidheiny family

Stephan Schmidheiny's $2 billion empire consists of holding companies Anova, Nueva and Unotec—in international trade, real estate, retailing, steel, construction and watches—including 87% of Leic. Plc., the renowned optics company. Schmidheiny, 44, is a passionate environmentalist. He has been named chairman of a U.N. environment committee.

Brother Thomas, 46, controls

Stephan Schmidheiny
The greenest billionaire?

Switzerland's Holderbank, one of the world's largest cement companies (1990 sales, $3.4 billion), and other interests worth over $700 million.

A third brother, Alexander, 41, produces five varieties of California wine under his Cuvaison label. –T.G.

Hans Heinrich Thyssen-Bornemisza

Baron Hans Heinrich Thyssen-Bornemisza, 70, worth some $1.4 billion, spends most of his time minding his billion-dollar art collection. Last year the art market sank as speculators dropped out. But the baron is a real collector, and he's resumed buying. Last November he paid $21 million for a John Constable at a London Sotheby's auction, a record price for a British painting. Behind the baron is Thyssen-Bornemisza Group (estimated sales, at least $1.8 billion), which makes various engineered products and provides storage, trading and container leasing services. The company is managed by the baron's son Georg, 40. –T.G.

Walter Haefner

Walter Haefner, 80, founded AMAG, the sole Swiss importer of VW, Porsche and Audi. Worth more than $1.1 billion. He holds 21% of U.S. software firm Computer Associates, worth $412 million. Has homes in Zurich and Paris but prefers farm in Ireland, where half his 150 horses are bred and trained (the rest in Kentucky) for the classic American and Irish races. Neither his son Martin, 37, a Swiss math professor, nor daughter Eva Maria, 33, who works with the mentally handicapped, is interested in the business. For the next generation? "The companies will continue with professional management, and my children, who are on the boards, will be the owners," Haefner says. –T.G.

Hoffmann family

In-law Paul Sacher, 85, has been the family's senior member since the 1989 death of his wife, Maja Sacher-Stehlin. She was the widow of Emmanuel Hoffmann, only son of the founder of drug giant Hoffmann LaRoche. With Sacher on the Roche board (the company reorganized under new parent Roche Holding Ltd.) are Maja's son, Lukas Hoffmann, 68, and son-in-law Jakob Oeri, 71. The Hoffmann heirs control roughly a $2.5 billion majority stake in Basel-based Roche.

Last year Roche paid $2.4 billion for 60% of San Francisco-based Genentech Inc. Last month Roche spent an additional $821 million to purchase the Nicholas group of European over-the-counter drug companies from Chicago-based Sara Lee Corp. This giant is moving. –A.F.

Austria

Swarovski family

Austria's Swarovski family, worth some $1.1 billion, are the longtime kings of rhinestones and cut crystal (1990 sales, $774 million). Based since 1895 in the mountain village of Wattens, the family owns 50% of the Irving, Tex.-based Zale Corp., with its jewelry chains Bailey Banks & Biddle, Zales, and Gordon's.

The Swarovskis are aggressively promoting their brand names—Swarovski for higher-priced jewelry and Savvy for its medium-priced jewelry line. –T.G.

Germany

Heinz Heinrich Bauer

Bauer's $1.2 billion fortune was built largely on his ownership of the television and radio program guide *Horen und Sehen*, a kind of German *TV Guide*. In the U.S. Bauer owns *First for Women* and *Woman's World* magazines, and a Texas chain of discount stores called Winn's.

The U.S. operations are going so-so, but even that can't be said for Bauer's publishing ambitions in eastern Germany. Last year his big (1990 sales, $1.1 billion) magazine publisher, Bauer Verlag, sank over $45 million into four East German daily newspapers, in the form of equipment and training. Bauer figured to acquire the papers once legal rights were clarified. But then, in April, Germany's Treuhandanstalt, the government agency responsible for privatizing eastern assets, decreed that no publisher could own more than one of the old Communist Party newspapers. Bauer got one of the papers he'd agreed to acquire, for $70 million, but was blocked from purchasing the other three. He now stands little chance of recouping his seed money from the other buyers.

Cynics note Bauer is politically neutral. Their point: The Treuhandanstalt is awarding eastern German papers to publishers likely to support Helmut Kohl's ruling conservative coalition government. They may be right. –P.G.

Leo Kirch

The left wing of the German press distrusts him: Kirch, 65, is powerful, rich (estimated $1 billion) and, worst of all, not a socialist. Kirch totally dominates German movie and TV programming and is on the verge of controlling 26% of the conservative Axel Springer Verlag A.G., Europe's largest newspaper publisher. This marks his first appearance among FORBES' world's billionaires.

Behind the image created by the German media is a shrewd ex-business professor turned entrepreneur who borrowed $50,000 in 1956 to buy the German distribution rights to Fellini's *La Strada*. Kirch realized that Germany's two government-owned television stations would need entertaining programming. He won big when he cornered German broadcast rights to Hollywood films. He also owns the broadcast rights to many U.S. television series, including *Wheel of Fortune*.

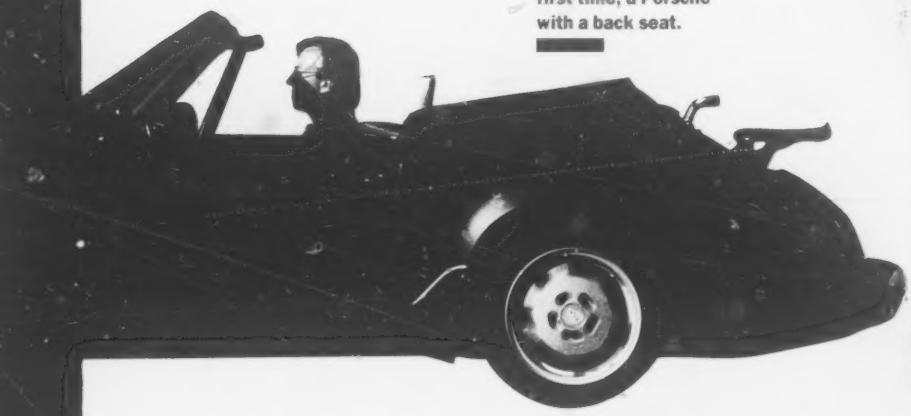
These days Kirch rubs elbows with Italian billionaire Silvio Berlusconi; they coproduce European TV series, a good business given the Eurocrats' hysterical fears about what U.S. programming will do to their cultures. His highly profitable Kirch Group (estimated revenues, near $350 million) also bought into successful private German station SAT 1 in the mid-1980s. The station has been at the center of a feud between Kirch and its other major shareholder, Axel Springer Verlag, but recent management changes at Springer have probably helped Kirch. Already Springer has dropped objections to a film purchase deal by SAT 1. Kirch is also negotiating to register—and vote—Springer shares he owns through third parties, and to gain board seats.

Kirch lives quietly in Munich but is widely sought after by Hollywood groupies—*Variety* recently devoted 20 rhapsodic pages to him. He has a son and heir apparent in the business, Thomas, 33. –P.G.

Adolf Merckle

Secretive Adolf Merckle, 56, another newly discovered German billionaire, has given the German cartel commission headaches for years. German drug costs are among the highest in the world, and the regulators consider Merckle a big part of the problem. Merckle reportedly controls one-third of Germany's drug wholesale business through a network of distribution companies. Some sell brand-name drugs. Others, like wholly owned Merckle GmbH and Ratiopharm GmbH & Co. (combined sales, over $275 million), concentrate on generic drugs. Last year the commission fined Merckle and other pharmaceutical distributors for their agreements not to raid one another's pharmacy clients. Merckle's worth: probably around $1.2 billion.

Merckle's parents ran a small pharmaceutical company until the end of World War II, when they moved their operation to Blaubeuren, in southwestern Germany. Adolf practiced law before taking over the family company, then under DM5 million in sales, in the late 1960s. The young Merckle saw his opportunity in the early 1970s, when he set up Ratiopharm and made a generic substitute for Bayer aspirin. The profits bought his way into the wholesale pill business in the 1980s.



Ferdinand Porsche, père et fils; their modernized classic 911

And soon, for the first time, a Porsche with a back seat.

Merckle also has interests in packaging equipment and cement. His mother was from the Spohn family, whose packaging company Merckle now heads. His wife, Ruth, was a Schwenk; her family was big in construction materials and cement, which is why Merckle has a piece of Heidelberger Zement, Germany's leading cement company. –P.G.

Wolfgang Schuppli

In German courts the loser pays both parties' legal fees—but that does not stop the Germans from going to court. Leave it to a lawyer to figure out how to make a fortune off this system.

Wolfgang Schuppli, now 69, knew most of his fellow Germans were a risk-averse lot. And an ordinary motorist found at fault in a simple car accident can be on the hook for a lot of legal costs. So back in 1957 Schuppli quit his law practice to sell insurance against legal costs.

Schuppli's company, Deurag, quickly made a lot of money and still is doing good business. But Deurag was just the start of Schuppli's fortune. He also bought some Munich real estate, which has climbed many times in value.

In 1982 Schuppli sold a majority of Deurag to Germany's Continentale Sachversicherung insurance company for just under 25% of Continentale's stock. An eclectic investor, Schuppli has since bought major stakes in a German cutlery manufacturer and a sewing machine maker. He also founded, in 1986, a mortgage bank, Hypothekenbank in Essen A.G. It was the first time in 20 years that a mortgage bank had been founded in Germany. It specializes in building loans to communities, which require less manpower than does making individual home loans. Another of our newly uncovered German billionaires, Schuppli denies he is worth at least $1.1 billion. P.G.

Porsche family

Porsche A.G. (1990 sales, $1.6 billion) may have been hurt by the U.S. recession and soft dollar, but eager car buyers in other countries more than compensated. One reason: the revamped classic 911. Due in a few years: Porsche's first car with a back seat. "Some of our customers need more room," dryly explains a company spokesman.

The Porsche family controls the car company. It also controls Austria's

Prince Albert, 8, with family; the Punk Princess **What will become of his strange, troubled legacy?**

private Porsche Holding; its diversified interests include exclusive VW and Audi import rights.

Founder Ferdinand Porsche, who left Daimler to design his own cars in the 1930s, designed the Volkswagen Beetle and started making Porsches in Austria around 1945. Porsche cars moved back to Stuttgart in 1950. His son Ferdinand (Ferry) took over while his daughter Louise Piech ran the Austrian business.

In 1971 the family agreed to pass management of both companies to professionals. That's one reason Louise's son, Ferdinand Piech, is chief executive of Audi, not of Porsche. But the family still dominates the supervisory board of the publicly quoted Porsche A.G. (and keeps all voting shares in a trust); its current chairman is Ferdinand Alexander Porsche, 56, designer of the 911 and grandson of the founder. –P.G.

Prince Albert von Thurn und Taxis

At age 8, Prince Albert is sole heir to a strange patrimony. His father, Fuerst Johannes von Thurn und Taxis (a.k.a. Taxi boy and Johnny TNT), died in December, age 64. Albert's mother, Gloria, 30, is sometimes called the "Punk Princess." The family fortune is estimated at $1 billion.

Now Prince Albert is the largest landholder in Europe, the 12th prince of the line that founded the Holy Roman Empire's postal service 500 years ago. Bismarck ended that monopoly in 1867, but the clan wound up with vast tracts of land. Johannes hired a management team, led by former McKinsey man Helge Petersen, to modernize a troubled hodgepodge of interests that range from a private bank to breweries to forests and agricultural lands.

Petersen proposed running young Albert's fortune as a foundation. That would have given his management team broad executive powers—and apparently marginalized Gloria. She would have none of it. He has decamped, to Wasserstein Perella. An orphan's court is in control. When Gloria gets the court's approval, she and her advisers, including newly hired Swiss consultant Nicolas Hayek, will likely shed unprofitable businesses. The Punk Princess will soon be able to show whether she has any flair for business. –D.F.

The late Heribert Werhahn **Just one of his successors' problems: Will Saddam Hussein be a $100 million deadbeat?**

Werhahn family

Last November clan leader Heribert Werhahn, 65, plunged to his death hiking in the Bavarian Alps. Two months later the family name was dragged into press reports linking Strabag Bau, the big construction company the Werhahns control, with over 70 violations of the arms embargo against Iraq. The company says it acted to protect the lives of its employees still in Iraq. The German government is investigating. Strabag had been working on a highway and airport at Basra since 1980, and is still owed around $100 million for work completed.

To fill Heribert's shoes, the Werhahns named Joachim Gerhard, a nonfamily man, as chairman of the supervisory board at both Strabag and the family holding company, Wilhelm Werhahn K.G. Power on the five-person Werhahn board is concentrated in three cousins—Wilhelm, 52, Michael, 42, and Anton, 32—who keep tabs on the estimated $1 billion fortune for the roughly 180 family members. –P.G.

Karl and Theo Albrecht

The Aldi supermarkets in Berlin are overrun with Poles these days. The big attraction: 500 to 600 basic products, mostly canned or packaged goods, sold from—or by—the carton at prices 20% below other stores. Labor at Aldi never exceeds 4% of sales; net margins are a healthy 1.5% on total turnover of $13.3 billion, according to trade paper *Lebensmittel Zeitung*.

Founded in 1948 by the secretive Albrecht brothers—Theo, 69, and Karl, 71—the discount empire, worth an estimated $3 billion, operates 2,100 stores in western Germany plus 20 of a planned 500 to 600 in eastern Germany. The smallish Aldi stores have spread to neighboring countries. Some 300 prosper in the American Midwest.

Lately, the brothers are trying Britain. Its old-boy supermarket industry *(see Sainsbury)* doesn't like that. Only 15 Aldis have opened—60 stores behind schedule. The Office of Fair Trading threw out Aldi's complaint that British suppliers, pressured by major retailers, refused to sell to Aldi. The case brought Aldi lots of good publicity, and the British love an underdog, especially one with bargains. Aldi wants 200 stores in Britain and is also looking at Italy and Spain. The Albrechts' motto—"Poor people have to buy cheaply, rich people like to"—seems to travel well. –D.F.

Otto family

Like Grete Schickedanz, the Ottos smell opportunity in what was East Germany. Best known for their Otto Versand, world's largest mail-order house, with annual sales of nearly $9 billion, the Ottos also have sizable real estate interests. They will invest over $500 million to build 10 shopping centers in the now cheap east, then manage them like the 32 they run in the west.

While Grete Schickedanz' Quelle is bigger in Germany, Otto Versand is larger worldwide. It has achieved this by buying established catalog names

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Werner Otto

He laid the foundation for a global ...ail-order house.

RIGHT: Grete Schickedanz and sons-in-law

In Germany, almost everyone knows Quelle. Even the Easties.

that need turning around. In the U.S., the Otto family owns Spiegel, whose revenues have nearly quintupled since 1982. In France it's 3 Suisses. In Japan, Otto Sumisho. And as of March, in Britain it's Grattan.

Werner Otto, 81, fled from eastern Germany to Hamburg after the war to start his mail-order business. In the early 1960s he sold off a minority stake and reinvested the proceeds in real estate—first in Germany, then in Toronto in the 1960s and New York in the mid-1970s. Today son Michael, 48, runs Otto Versand and has pushed global diversification; both over ' the real estate. Total fortune: at le $2.5 billion. –P.G.

Schickedanz family

Prewar, Quelle was Germany's equivalent of Sears, Roebuck. After East Germany's communists fell in 1989, Quelle took a survey and found that 97% of East Germans knew the Quelle name. Quelle hastily compiled mailing lists. When the "Easties" got DM for their funny old Ostmarks last July, they soon had 2.5 million hefty Quelle catalogs in their hands, offering everything from high fashion to garden tools. Quelle's domestic turnover last year shot up 28%, to $4.8 billion, with six months of eastern German consumption alone accounting for a huge $611 million in sales.

Grete Schickedanz, 79, and her two daughters own the catalog business founded by her husband in 1927. She intends to push deeper into what was once East Germany. By year-end, expect 1,200 depots. Over $500 million is being pumped into a new, high-tech distribution center in Leipzig and smaller ones near Dresden and Berlin.

Grete also likes Spain, another developing market. But its postal system is unreliable. So Quelle teamed up with Tabacalera, whose fleet of delivery trucks crisscrosses the country daily to distribute cigarettes to 20,000 *estancos,* or kiosks. Now they deliver Quelle packages, too, and the kiosks are little depots. "In Spain the market for mail order is only 0.6%, compared with western Germany's 5% of the retail sector," says Quelle executive Harald Schroff. "We'll get the Spanish accustomed to it." –D.F.

Otto Beisheim

Very private Otto Beisheim, about 67 (his birth date is unknown), is a German-born Swiss citizen who runs his holding companies from the low-tax canton of Zug. He owns a third of Metro, which he founded in 1964. *(See also Haniel and Schmidt-Ruthenbeck.)* One of the largest retailer-

wholesalers in the world, Metro is also the most secretive. The company keeps such a tight lid on information flow that even a journalist's simplest questions can be answered only by Chief Executive Erwin Conradi.

Last year Metro bought, and quickly resold, 15% of Adidas when the Dassler family decided to sell. In the U.S., Metro owns Jetro, wholesale cash-and-carry superstores.

Lately Beisheim, who's worth over $2 billion, has been making deals with Hollywood. His newly created Medien Handels A.G. bought the German rights to broadcast some 2,500 films last year from Leo Kirch for a reported $110 million to $165 million. He's already flipped over 1,200 titles (including *Fatal Attraction* and *Tootsie*) to private TV station Pro 7, apparently at a big profit. –D.F.

Haniel family

Collectively, the 300 Haniel family members constitute Germany's richest family. The fortune, based on their 235-year-old Franz Haniel & Cie GmbH (they also own a third of Metro), is estimated at about $5.3 billion. Over half of Haniel group sales are in the U.S., mainly at Oklahoma City's Scrivner Inc., the third-largest U.S. food wholesaler. Haniel has built Scrivner sales from $547 million to $6 billion in little more than a decade. Haniel's headquarters is still in the old Ruhr town of Duisburg, where Frederick the Great granted Haniel ancestor Jan Wilhelm Noot the right to build a warehouse, and the business began. –D.F.

Schmidt-Ruthenbeck family

The mysterious brothers Michael and Rainer Schmidt-Ruthenbeck own one-third of the discount retailing giant Metro Group, which they co-founded with Otto Beisheim and the Haniel family. Metro says little about them; they, nothing. A family company in Germany is a lawyer's office, fronting for another company, a lawyer's office in Switzerland. There the trail goes cold.

Karl Heinz Kipp

Worth an estimated $2.3 billion, Karl Heinz Kipp, 67, is an ex-retailer turned real estate man who owns the land under 27 stores of the big German retail chain Massa A.G. He also owns four top Swiss hotels, including the Tschuggen hotel in Arosa, where he lives. His Manhattan real estate, mostly office buildings, is looked after by son Ernst Ludwig, who lives in Annapolis, Md. –P.G.

Reinhard Mohn and family

The world's second-largest media conglomerate, behind Time Warner, Bertelsmann (1990 sales, $7.4 billion) publishes bestsellers by Danielle Steele, distributes records by Whitney Houston and owns 74% of Gruner + Jahr, which puts out popular magazines *Stern* (Germany) and *Parents* (U.S.). This year it's gotten into newspapers in east Germany, and is seeking growth in Europe's deregulated private broadcasting sector.

Reinhard Mohn, 70, who resurrected his family's publishing business from World War II's ashes, retired from the supervisory board last month. His children play no role, and 69% of the Mohns' nearly 90% equity in Bertelsmann—worth $3.5 billion—will go to a foundation after Reinhard's death. –D.F.

Conle family

When Kurt Conle died in 1966, he left to his widow Hilde and daughters Beate Huttner, Vera Conle-Kalinowski and Ulrike Paulus his company, Conle & Co. It in turn currently holds 60% of LTU (1990 sales, $1.2 billion), the German charter and vacation airline. Most of the rest—34%—was sold in 1989 to Westdeutsche Landesbank for a reported $340 million. The bank bounced one daughter's husband out of the company. She's suing.

Value of the Conle family's holdings: $1.1 billion. –P.G.

Herz family

The Herz family, worth over $1.6 billion, owns Germany's famous Tchibo coffee retailing chain and 63% of its largest cigarette maker. Jumping early into east Germany was risky, but it paid off in big market share. Battling Philip Morris in cigarettes, though, has proved less successful.

Gunter Herz, 51, runs the place and shares ownership of Tchibo Holding A.G. with four siblings and their widowed mother. Gunter makes no secret that Tchibo won't be run by family forever. "We have options," he smiles. –P.G.

Friedrich Karl Flick Jr.

In December the twice-divorced former industrial magnate emerged from self-imposed seclusion to marry Ingrid Ragger, an attractive 31-year-old blonde, in a highly publicized civil ceremony. He is 64. The press was better than the Flicks are used to. His father, Friedrich Sr., drew seven years in Nuremberg. And the notorious Flick Affair, a political-payoffs scandal named for Flick Jr., shook the German government in the Eighties.

Friedrich Karl Flick Jr.
How happy the bride must be.

Manfred von Oppenheim
EC-wide bank consolidation? No sweat.

Flick then abruptly sold his business empire and all but disappeared with his $2.8 billion fortune. According to *Bunte* magazine, he has a $16 million villa in Munich, a Manhattan penthouse, a castle near Paris, homes on the Cote d'Azur and in Palm Springs, a household staff of 100, a Gulfstream jet and a yacht. Congratulations to the bride. –D.F.

Josef Schorghuber

After 40 years of lousy beer, east Germans have bellied up to west German brands with gusto, and Josef Schorghuber, 71, is doing his part to quench their thirst. His Paulaner brewery, Bavaria's largest, was stretched to capacity last year; it is looking to buy or build an eastern brewery, and beer halls in which to sell the suds.

Sometimes called the "Bavarian Goldfinger" because of his impressive business deals and equally impressive girth, Schorghuber made his first money in Munich real estate in the 1950s and 1960s. He built the massive Arabellapark on a large tract of open land not far from downtown Munich. The office and apartment complex is named after his 24-year-old daughter Arabella, but son Stefan, 29, is slated to take over some day. The family's net worth is estimated at $2.1 billion. –P.G.

Rochling family

Some 150 family members strong, the Rochlings are an old German coal and steel clan. They see one of their main companies, arms and machine tools maker Rheinmetall A.G., behind the curve, and are moving into electronics and communications under family members Kurt Wigand Freiherr von Salmuth, 60, and Arthur Graf Saurma-Jeltsch, 63. The far-flung family owns companies worth some $1.6 billion. –P.G.

von Oppenheim family

Their private banking house of Sal. Oppenheim Jr. & Cie ($3.1 billion assets) makes the von Oppenheim cousins—Manfred, 67, and Alfred, 57—worth some $2.4 billion. To compete against larger banks, they have been raising capital by selling valuable assets accumulated for generations. Since the bank was founded, in 1789, the von Oppenheims have weathered 15 currency changes and 11 state systems, including the Third Reich. It's likely they can weather the current wave of European bank consolidation, too. –D.F.

Erivan Haub

Haub, 58, owns Tengelmann Group, the German supermarket chain, worth some $4.9 billion. In the U.S., Tengelmann owns 53% of A&P. Haub reportedly wants to operate 1,000 stores in eastern Germany within five years. Known as the greenest German billionaire, he promotes phosphate-free detergents in his stores. He is also openly pro-American. When Haub took out full-page ads in big German national dailies supporting the U.S. in the Gulf war, several Tengelmann stores were set aflame. –D.F.

Willi Leibbrand

Willi Leibbrand, 59, built his little food wholesaler into a giant discount supermarket chain so fast and furiously in the 1970s that he became known as Germany's king of retailing. He sold out in 1989 for 25% of the

Cologne-based Rewe cooperative chain. With his other assets, Leibbrand is worth over $1 billion. He has also sold out most of his interest in Furr's 126-store supermarket chain, based in Lubbock, Tex.; Leibbrand and a partner bought Furr's in 1984. –P.G.

August and Wilhelm von Finck

August and Wilhelm von Finck, 61 and 63, together worth $2.5 billion, split the family's assets in 1989. Last September August sold the family's famous private bank, Merck Finck, to Barclays. The brothers' children show no interest in banking, and competition is on the rise. Wilhelm has kept the vast forest and farmlands near Munich. August has kept 90% of the Lowenbrau brewery. –D.F.

Voith family

The Voiths, worth around $1.7 billion, are new to the billionaire list this year. There are two family branches: one descended from Hanns Voith, the other from his brother Hermann (both brothers are now dead). The two branches each own 50% of J.M. Voith GmbH, maker of water turbines and papermaking machinery (1990 sales, $1.5 billion).

The two sides fell out in 1989 over a merger proposal. Often such a fight destroys a family company. That it did not destroy J.M. Voith owes to some shrewd planning by a nonrelative named Hugo Rupf.

In the mid-1970s Rupf foresaw that a future family squabble might wreck his 20 years of accomplishments as company chief executive officer. So he put together a special supervisory board studded with some of the biggest names in Germany—it now includes the CEOs of Mercedes and Bosch and the former CEO of Thyssen. Rupf also set it up so that only a 75% majority could remove his board. Neither family branch can do it alone. Thus are the potential forces of destruction held in check.

The Voith company was founded in 1867 by Johann Matthaus Voith, who patented machinery to grind trees into pulp and make paper. Later came sturdy water turbines: A Voith turbine from 1903 is still generating electricity at Niagara Falls. The founder's grandson, Hanns Voith, was the last family member active in management, leaving in 1969. In any family, the managerial blood can run thin. But thanks to Rupf, the Voiths' namesake company can continue to prosper and enrich the Voiths, if necessary, despite themselves. –P.G.

Hans Gerling

He lost control of his company once; got it back. Now he's keeping it.

Hans Gerling

Hans Gerling, 76 and said to be ailing, has put an old friend, Adolf Kracht, in charge of his family's giant industrial insurer, Gerling-Konzern (estimated worth, $1.9 billion). Son Rolf, 37, studies industrial psychology and lives in Zurich.

As lead insurer for a "who's who" of German big business—BASF, Hoechst, Bayer, Siemens, BMW—Gerling-Konzern is now the fourth-largest insurance firm in Germany. What does the future hold? "There's lots of interest from the Americans and Japanese, but we have no interest in selling," says Herwig Gueckelhorn, a board member. –D.F.

Haindl family

While western German newspaper barons fight for new markets in eastern Germany, the family-owned Haindl Group (1990 sales, $1.2 billion; estimated worth, $1.3 billion) from Augsburg does a brisk business selling them the newsprint. And with trees a scarce commodity in Germany, the Haindls have be-

Konrad Henkel
Don't fight the whales in the ocean; be the big fish in your own lake.

come acknowledged leaders in paper recycling technology.

Fourth-generation Haindls run the company. Ernst, 65, great-grandson of founder Georg, has been in charge for more than 20 years. His brother Clemens, 54, and members of the fifth generation are waiting in the wings. –P.G.

Grundig family

Max Grundig, one of Germany's most admired postwar entrepreneurs (electronics), died in 1989, at 81. He left third wife Chantal, 42, whom he married late in life, and several children income from a foundation with nearly 6% of Dutch electrical giant N.V. Philips and other assets worth some $1.9 billion. The Grundig heirs busy themselves running seven hotels and a health clinic. And clipping coupons. –P.G.

Henkel family

The fourth-generation Henkel family owns specialty chemicals and detergents combine Henkel KGaA, estimated at $4.2 billion. It flourishes in Germany by avoiding products dominated by the big three (BASF, Bayer, Hoechst), sticking to core businesses where it is a world leader: raw material for cleaning agents, adhesives and surface treatment systems for automobiles. Henkel is in the U.S. with a joint venture with Ecolab and investments in Clorox (27%) and Loctite (27%). Konrad, 75, retired; expect nephew Albrecht Woeste, 55, to continue his successful ways. –D.F.

Oetker family

Oetker brand food products are recognized by 96% of German households. The private company has been in the family for four generations, and is now headed by August Oetker, 47.

Rudolf Oetker, third generation
The fourth generation has the baton.

Oetker Group (estimated sales, $2.8 billion) is a hodgepodge of medium-size interests worth $2.6 billion: food, shipping, private banking, insurance, luxury hotels, a Berlin supermarket chain and breweries. For the 1990s look for smallish acquisitions in existing branded-goods lines. –D.F.

Merck family

The Merck family's E. Merck, a well-known drug and chemicals firm (and unrelated to the U.S.' Merck Pharmaceutical), is worth some $2.2 billion. It's showing signs of stress keeping up in drug research, but the chemicals side makes liquid crystals for laptop computers. The man to watch is CEO Hans Joachim Langmann, 66, who married into the family and fought to keep family control when that was in doubt in the early 1960s. Retirement now beckons, and Langmann has yet to pick a successor. –P.G.

Quandt family

Herbert and Harald Quandt rescued automaker BMW from bankruptcy in 1959 and built the company up to

The late Herbert Quandt
Without his rescue of the company, there might not be any BMWs today.

today's international eminence. Both are dead. Herbert's widow, Johanna, 64, and children Susanne, 28, and Stefan, 25, own 62% of BMW and control various other German companies. Herbert Quandt's four other children by previous marriages got lesser properties. Harald Quandt's heirs swapped their BMW shares for Herbert's 10% stake in Daimler-Benz, which they sold for DM1 billion in 1974. The combined Quandt wealth: around $3.7 billion. –D.F.

Von Siemens family

The 200 members of the von Siemens family share the proceeds from a trust that holds over 10% of Siemens A.G. and more of its votes. The trust's holding is worth some $1.7 billion.

In years past Siemens was run by gifted family members who made it one of the world's great manufacturers of electrical machinery. One of the last of those family members, Ernst von Siemens, who guided Siemens from 1949 to 1956, died in December, at 88. Today Siemens—which is in everything from nuclear reactors and streetcars to light bulbs, home appliances and computers—is playing catch-up in computers with U.S. and Japanese competitors. The recently created, publicly quoted Siemens Nixdorf subsidiary has yet to turn profitable. –P.G.

Peter Carl von Siemens
Middle manager, top pedigree.

Boehringer family

Worth $2.2 billion, Boehringer Ingelheim, the big, private German pharmaceutical company built up by Dr. Ernst Boehringer in the 1920s, is owned by his family and run by his nephew, Hubertus Liebrecht. It does 75% of its $2.6 billion sales abroad. Best known overseas for licensing cardiac drug Activase from Genentech, Boehringer has also started clinical trials in the U.S. on its own promising anti-AIDS compound, BI-RG-587, which appears to be less toxic than AZT. –D.F.

Freudenberg family

Freudenberg & Co. (revenues, $2.4 billion) makes its namesake family worth some $1.6 billion. Started in 1849 as a tannery, the company still makes shoes (including Elefanten children's shoes, available in the U.S.) and other leather goods. It is also now Germany's largest textile producer. Various specialty divisions (examples: oil seals and vibration dampers for cars) are being pruned.

"We want to concentrate on areas where we have expertise," explains Reinhart Freudenberg, 59, chief executive officer and one of the 260 family members who together own the company. –D.F.

Mann family

A onetime woodworker, Hugo Mann, 77, built up Wertkauf/Mann Group's 20 hypermarkets before German zoning laws tightened. Now, with no new competition to fear, he watches over son Johannes, 39, who took over as chief executive two years ago. The family's $1-billion-plus fortune is evenly divided among Hugo Mann, his wife, and their three children. –P.G.

Bosch family

The eponymous founder of Robert Bosch GmbH, at $18.7 billion the world's largest maker of automotive parts, once worked for Thomas Edison. In Germany, he's best remembered for introducing the eight-hour workday in 1906—he was dubbed Robert the Red by fellow industrialists—and for building hospitals for his native Stuttgart. Son Robert Jr. left management in 1971 at age 43 to get a doctorate in psychology. Now 63, he and sister Eva, 60, tend nonprofit foundations; their 8% of the company is worth a cool $1.1 billion.–P.G.

And then there are those who are supposed to be billionaires. Or want to be. Or used to be. Or might yet be.Some of them make it as far as the listing below.

Better luck next year

Kuwait's **Al-Ghanim** and **Al-Kharafi** families are temporarily suspended from our list of billionaires until the picture clears in their war-torn, looted and still floundering country.

Feyzi Akkaya and **Sezai Turkes**, who founded STFA, one of Turkey's largest contractors, seem worth far less than the $1 billion—each—sometimes attributed to them.

Our review of **Anacleto Angelini Fabbri,** probably resurgent Chile's richest businessman, found about $950 million of holdings in natural resource companies and a big gasoline refiner and distributor. Watch for him next year.

Octav Botnar, long Britain's sole Nissan distributor, has had a loud, noisy falling-out with the Japanese carmaker, which has dropped him. We have followed Nissan's lead.

Germany's **Brost** and **Funke** families share ownership of WAZ, one of Germany's bigger newspaper publishers. The dollar's strength puts each just below $1 billion.

The **Dassler** family, the German makers of Adidas, is rich, but the family sold out at a fraction of the estimated value for its company.

Switzerland's **Mark Diethelm** and his relatives the **Kellers** own a diversified string of companies that appear worth perhaps half the $1 billion some have ascribed to them.

British-French **Sir James Goldsmith** has to show more net equity than we can be sure of at this point.

Martin Hilti's Hilti A.G. made him Liechtenstein's lone billionaire (aside from the Prince) last year. This year his declining stock made him its only ex-billionaire.

Macao's legendary gambling magnate, **Stanley Ho**, is tantalizing, but his $1 billion, if he has it, is still not proved.

Taiwan's **Dr. Shi H. Huang**, new to our list last year, falls off it this year: Earnings at his automotive and financial services companies collapsed.

Japan's **Hisashi Ishii's** stock brokerage firm has seen earnings fall drastically amid the Tokyo stock exchange's stiff downdrafts. His interest is no longer clearly worth $1 billion.

Bahrain's **Kanoo** family has a rather bigger shipping, insurance and oilfield supply business than we thought, but far narrower margins than believed, according to new sources. Not clearly worth $1 billion.

Shigeru Kobayashi, the Japanese real estate magnate who seemed to be buying America a couple of years ago, has accumulated a lot of debt.

Costas Lemos, one of the legendary Greek shipowners, is rich, but what we can find of his secretive business empire looks to be worth far less than $1 billion.

The Greek **Livanos** cousins, George P. and George S., have between them just short of $1 billion in shipping and other interests.

Sweden's **Fredrik Lundberg** and family, owners of 80% of Lundbergforetagen, fall off the list this year, courtesy of Sweden's swooning stock market and no-growth economy.

Robert Miller, Hong Kong's (formerly the U.S.') co-owner of giant Duty Free Shoppers Ltd. (DFS), is still flamboyant, but drastic reverses in the business and its margins put his visible wealth below $1 billion.

Probably Norway's richest man, **Fred Olsen**, shipping magnate and owner of Timex, the watch company, holds a complex empire full of cross-ownership; his interest appears worth about $725 million.

In Canada's New Brunswick province, the Irvings are king. But the McCain brothers are big enough to be troublesome for them: FORBES estimates $800 million for **Harrison** and **Wallace McCain** this year.

South Africa's perennial gold-mining magnate, **Harry Oppenheimer**, is visibly worth $750 million. Invisibly, who knows?

Colombia's **Rodriguez Orejuela** brothers and **Jose Santacruz Londono** dominate the notorious and stealthily burgeoning Cali cocaine cartel. Both might be billionaires, but the evidence is not yet clear enough to include them here.

Kichinosuke Sasaki has Tokyo real estate revalued this year at $3 billion, and debt totaling $2.3 billion.

The secretive **Smorgon** family of Australia built its little-understood empire around steel and packaging, and is feeling the country's poor economy. What's known appears worth $640 million.

Abdul Aziz Al-Sulaiman was believed to have large tracts of Saudi real estate, in Riyadh and elsewhere. New information indicates he has far less than previously estimated, taking him off this list.

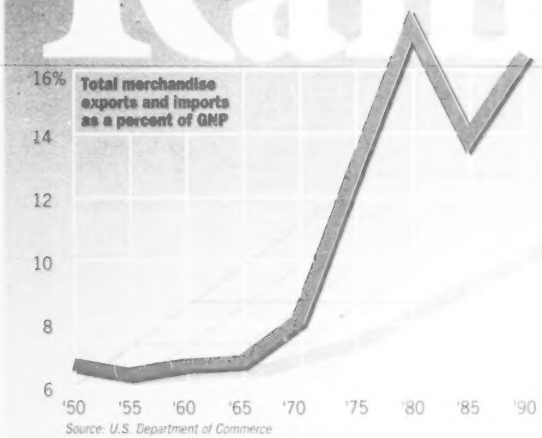
India's famed **Tata** family virtually founded India's industrial base but controls its vast holdings far more through charitable trusts than through direct ownership.

Germany's **Thyssen** family is famous for wealth and steel but, unlike relative Thyssen-Bornemisza, seems well below $1 billion.

In Greece, everyone has heard of the **Vardinoyannis** brothers' oil refining, trading and shipping empire. It seems worth some $840 million.

The venerable **Wallenberg** family holds much the same position in Sweden's business history and present economy as India's Tatas. This family controls its empire mainly through foundations. ■

The Forbes Foreign Rankings



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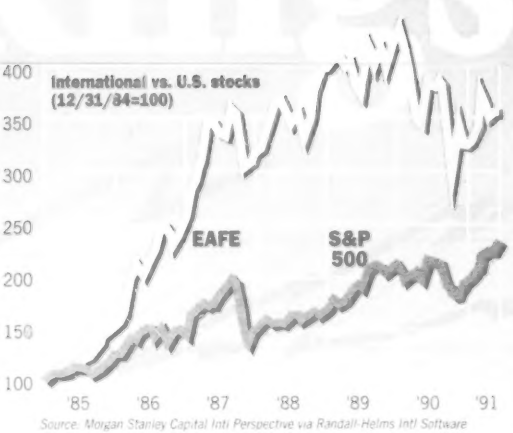

Source: Morgan Stanley Capital Intl Perspective via Randall-Helms Intl Software

Edited by Steve Kichen; data and text by Ann Anderson, Susan Chin, Scott DeCarlo, Timothy Dodman, Eric Hardy, Gustavo Lombo, Warren Midgett, Tina Russo-McCarthy, Gilbert Steedley and Susan Yu; programming by Carsten Thode

Any business person or investor who still questions the importance of foreign markets need only refer to the two charts above. The first shows that, since 1970, U.S. trade as a share of GNP has doubled, to over 16%. What of those media fears that imports would "hollow out" and destroy America's manufacturing base? The fears have proved hysterical. U.S. manufacturers are now more competitive than ever, exports are rising sharply and manufacturing is accounting for a growing share of GNP. Meanwhile, U.S.-based multinational firms *(see p. 286)* are well-poised to take advantage of Europe in 1992.

The second chart shows that an investor who put $10,000 into the U.S. market in 1985 would now have $23,000 (excluding taxes and dividends). The same initial capital invested in Morgan Stanley's international EAFE index would now be worth over $35,000 but note the greater volatility and risk of overseas investing.

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Hunting bargains, globally

IS THE GROWING INTEREST among U.S. investors in acquiring overseas securities just a fad? Or is it driven by something more fundamental? The latter is true, according to Jean-Marie Eveillard, the urbane manager of the $260 million (assets) SoGen International Fund. Says he: "They [U.S. money managers] are buying these stocks not because they want to diversify, nor because they have particular beliefs about Europe in 1992 or the possible opening up of China. They are buying because they find value outside the U.S."

Where are these values? With the help of Morgan Stanley Capital International Perspective's Raye Dube in New York and Steve Zanotti in Geneva, we prepared the following list of foreign stocks that appear undervalued relative to other stocks in their respective markets. All sell for 75% or less of the price/earnings ratio of their national indexes. With the Japanese market selling at 37 times earnings, for example, only Japanese stocks selling at P/Es of 28 or less qualify. We also screened out issues selling at more than 80% of their national market's average price-to-cash-flow ratio and above the average price-to-book value for their country. Finally, we dropped stocks with market values under $200 million.

The following table contains 15 entries from Japan, including some very well known names: Hitachi Ltd., Sony, Toshiba and Toyota Motor. The third-biggest carmaker in the world, Toyota has a P/E that is less than 40% of the Japanese market's. One explanation is that analysts are forecasting Toyota's profits to drop by nearly 10% this year because of the worldwide auto slump. Even so, Toyota is in a lot better shape than most of its competitors.

Don't forget the drawbacks to international investing. Accounting standards are inconsistent, and some nations, such as Japan and Spain, require earnings reports only twice a year. Access to information is another handicap. Over here, newspapers and the evening news cover IBM almost on a daily basis. If you invest in France's Elf Aquitaine Group, you won't hear much about it in the U.S. media. And there is the risk that foreign currency fluctuations can wipe out any profits you might have booked in a company's local currency. For all these reasons, if you plan to invest overseas, you'd better add the *Financial Times* to your daily reading list.

Company/industry	Country	Recent price ($)	EPS 1990 ($)	EPS 1991E ($)	P/E	Price/cash flow	Yield (%)	Revenue ($mil)	Market value ($mil)
ANZ Banking/banking	Australia	2.74	0.33	0.26	8.3	NA	7.2	9,336	2,750
Caltex Australia/energy	Australia	2.08	0.40	0.33	5.2	3.7	3.7	2,354	374
Dominion Mining/gold mines	Australia	0.63	0.07	0.08	9.4	6.2	5.4	175	250
General Property Trust/real estate	Australia	1.95	0.19	0.19	10.1	NA	10.9	NA	1,037
TNT/trucking, RR	Australia	0.82	0.21	0.07	3.9	2.4	13.9	3,451	423
Tubemakers of Australia/machinery & eng	Australia	1.48	0.18	0.09	8.1	6.6	6.2	1,024	399
WD & HO Wills/bev & tobacco	Australia	1.92	0.19	0.20	10.3	6.4	3.2	835	253
Westfield Trust/real estate	Australia	1.51	0.15	0.15	9.8	NA	9.8	NA	867
Arbed SA/metals-steel	Belgium	117.50	28.70	15.85	4.1	1.8	4.8	6,247	735
Banque Natl Belgique/banking	Belgium	918.23	256.30	89.79	3.6	NA	6.2	1,050	367

Stock prices and earnings estimates were converted into U.S. dollars using exchange rates at May 31. Earnings and revenues for 1990 were converted using the average exchange rate for the previous 12 months at fiscal reporting date. E: Estimate. NA: Not available. *Sources: Morgan Stanley Capital International Perspective; FORBES. Earnings estimates provided by the International Edition of the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.*

Company/industry	Country	Recent price ($)	EPS 1990 ($)	EPS 1991E ($)	P/E	Price/ cash flow	Yield (%)	Revenue ($mil)	Market value ($mil)
Cockerill Sambre SA/metals-steel	Belgium	5.00	1.17	0.61	4.3	2.6	6.7	6,078	1,592
Solvay Group/chemicals	Belgium	376.08	59.01	50.07	6.4	3.5	4.9	7,638	3,116
Tessenderlo Chemie/chemicals	Belgium	191.46	27.14	22.56	7.1	3.5	3.9	1,218	261
Bank of Montreal/banking	Canada	31.79	3.60	3.75	8.8	NA	5.8	9,159	3,730
Bank of Nova Scotia/banking	Canada	15.62	2.00	2.18	7.8	NA	5.6	7,984	3,073
BCE Inc/telecomm	Canada	37.03	3.00	3.45	12.3	4.2	6.0	15,747	11,335
Cambior/gold mines	Canada	7.97	0.67	0.65	11.9	6.1	1.5	127	245
Canadian Imperial Bank/banking	Canada	28.40	3.45	3.42	8.2	NA	4.1	11,140	5,121
Dofasco/metals-steel	Canada	17.58	1.44	0.66	12.2	5.0	4.0	1,976	1,189
Hees Intl Bancorp/financial svcs	Canada	16.27	1.96	2.05	8.3	NA	5.3	573	1,300
Hudson's Bay Co/retailing	Canada	28.40	2.87	1.89	9.9	NA	2.5	4,264	1,387
National Bank of Canada/banking	Canada	9.83	0.96	1.26	10.3	NA	7.2	3,754	1,234
Norcen Energy Res Mv/energy	Canada	19.66	1.63	0.00	12.1	4.4	2.7	902	1,177
Pagurian A/financial svcs	Canada	6.01	0.53	0.69	11.3	NA	8.7	NA	546
Power Corp of Canada/multi-industry	Canada	14.96	1.31	1.17	11.4	NA	9.9	200	1,716
Rio Algom/misc materials	Canada	14.31	1.42	1.12	10.1	5.8	4.9	1,151	626
Westcoast Energy/utilities	Canada	17.26	1.23	1.21	14.1	5.0	4.1	1,372	978
J Lauritzen Holding B/shipping	Denmark	220.57	12.63	14.07	17.5	5.2	0.4	1,825	485
East Asiatic Co/multi-industry	Denmark	28.09	2.43	1.42	11.6	6.0	2.7	2,556	601
Superfos Ord/chemicals	Denmark	694.76	69.64	50.80	10.0	5.1	1.9	1,112	286
Unidanmark/banking	Denmark	41.54	3.83	3.84	10.8	NA	3.6	5,790	1,924
Kansallis-Osake Pankki Free/banking	Finland	8.45	0.56	0.63	15.0	NA	4.0	1,301	1,254
Elf Aquitaine Group/energy	France	62.91	7.95	6.77	7.9	3.8	4.2	32,226	15,445
Beghin-Say/food, household	France	108.57	17.45	10.64	6.2	3.4	6.4	6,918	1,230
CGIP/multi-industry	France	184.34	31.59	26.23	5.8	3.7	3.9	2,854	1,084
Cetelem/financial svcs	France	119.74	14.70	14.25	8.1	NA	2.1	NA	770
Chargeurs SA/multi-industry	France	129.38	35.26	13.78	3.7	2.8	5.5	2,018	848
Ciments Francais/bldg materials	France	60.66	8.33	7.16	7.3	3.8	4.2	2,837	1,315
Credit Lyonnais/banking	France	97.92	23.32	19.16	4.2	NA	6.0	40,778	2,860
Eurafrance/financial svcs	France	292.24	39.48	32.47	7.4	NA	3.5	NA	892
Pechiney/metals nonfer	France	57.33	8.09	6.81	7.1	3.7	6.6	14,117	2,897
Peugeot Groupe SA/automobiles	France	101.98	33.97	18.31	3.0	1.9	4.0	29,383	5,093
Pinault/bldg materials	France	53.10	8.92	5.91	6.0	NA	4.5	5,981	1,144
Saint-Gobain/misc materials	France	75.07	9.46	7.71	7.9	3.9	4.9	12,585	4,897
Total-Francaise Petroles/energy	France	132.25	20.39	17.27	6.5	3.2	4.4	23,507	4,847
Thomson CSF SA/aero & defense	France	25.91	3.59	3.44	7.2	4.5	6.7	6,799	2,881
Vallourec/machinery & eng	France	52.09	14.51	4.82	3.6	2.3	4.9	1,328	265
Thyssen Group/metals-steel	Germany	126.29	18.30	13.26	6.9	3.3	7.1	21,364	3,967
Jardine Strategic/multi-industry	Hong Kong	2.29	0.30	0.34	7.7	NA	1.7	1,456	1,604
Banca Commerciale Italian/banking	Italy	3.74	0.38	0.37	9.9	NA	4.1	9,092	3,819
Banca Toscana/banking	Italy	3.71	0.34	0.34	11.0	NA	4.2	1,512	1,023
Credito Fondiario/banking	Italy	4.84	0.49	0.50	9.9	NA	3.2	NA	484
Best Denki/retailing	Japan	11.57	0.43	0.48	26.7	NA	1.6	1,494	1,450
Canon Inc/leisure-goods	Japan	10.92	0.57	0.62	19.2	8.1	0.8	11,934	8,164
Fujitsu Ltd/data processing	Japan	8.17	0.32	0.39	25.3	7.4	0.8	21,029	14,811

Stock prices and earnings estimates were converted into U.S. dollars using exchange rates at May 31. Earnings and revenues for 1990 were converted using the average exchange rate for the previous 12 months at fiscal reporting date. E: Estimate. NA: Not available. *Sources: Morgan Stanley Capital International Perspective; FORBES. Earnings estimates provided by the International Edition of the Institutional Brokers Estimate System (IBES), a service of Lynch, Jones & Ryan.*

THE 100 CHEAPEST FOREIGN STOCKS

Company/industry	Country	Recent price ($)	EPS 1990 ($)	EPS 1991E ($)	P/E	Price/ cash flow	Yield (%)	Revenue ($mil)	Market value ($mil)
Hitachi Ltd/elec & electron	Japan	8.46	0.50	0.50	17.0	6.0	0.9	54,763	27,705
Honda Motor Co Ltd/automobiles	Japan	9.77	0.56	0.45	17.6	5.4	1.0	30,447	9,498
Matsushita Electric Ind/appliances	Japan	12.15	0.88	0.84	13.8	7.1	0.6	46,708	25,439
Mazda Motor Corp/automobiles	Japan	4.34	0.18	0.15	24.8	6.5	1.3	19,210	4,668
Mitsubishi Electric Corp/elec & electron	Japan	5.47	0.24	0.27	22.6	6.3	1.3	23,471	11,703
Nippondenso Co Ltd/industrial comp	Japan	12.30	0.52	0.52	23.5	8.5	0.8	10,440	10,254
Orix/financial svcs	Japan	24.23	2.19	2.37	11.0	NA	0.4	3,152	1,572
Sony Corp/appliances	Japan	45.57	2.44	2.45	18.7	7.6	0.8	25,598	15,430
Teijin Ltd/chemicals	Japan	4.25	0.19	0.18	22.3	NA	1.2	4,339	4,113
Toshiba Corp/elec & electron	Japan	5.67	0.25	0.29	22.4	6.7	1.3	33,232	18,182
Toyota Motor Corp/automobiles	Japan	13.02	0.89	0.82	14.6	7.8	1.1	62,485	43,967
Victor Co Japan/appliances	Japan	11.07	0.45	0.53	24.8	8.6	0.8	6,554	2,812
ABN-Amro Holding NV/banking	Netherlands	19.66	2.77	2.75	7.1	NA	7.5	5,511	5,015
Aegon Insurance/insurance	Netherlands	61.78	9.76	8.03	6.3	NA	5.9	6,616	2,603
Akzo Group/chemicals	Netherlands	58.01	8.20	7.59	7.1	3.3	5.7	9,471	2,577
NV DSM/chemicals	Netherlands	57.35	12.70	9.76	4.5	2.9	7.1	5,582	2,014
Hollandsche Beton/construction	Netherlands	107.46	12.07	11.77	8.9	3.4	4.0	2,307	317
Hoogovens Groep/metals-steel	Netherlands	31.22	7.34	2.37	4.3	1.5	7.2	4,489	696
Telegraaf Holdingmij/media	Netherlands	45.84	6.70	5.91	6.8	4.6	4.4	426	301
Vard A/shipping	Norway	10.15	1.40	0.55	7.3	3.8	–	967	328
Inchcape Berhad/trading	Singapore	2.52	0.23	0.22	11.2	9.9	3.1	457	413
Singapore Airlines/airlines	Singapore	7.64	0.80	0.96	9.5	5.9	2.1	2,783	4,867
Euroc A/bldg materials	Sweden	16.81	1.94	1.36	8.7	4.1	3.4	1,931	587
MoDo Group/forest products	Sweden	41.62	5.42	4.58	7.7	2.9	5.0	3,115	903
Nobel Industries/aero & defens/	Sweden	9.92	0.94	0.72	10.6	3.8	3.6	4,460	895
Skand Enskilda Bank/bankin/	Sweden	11.37	1.06	1.54	10.7	NA	4.6	8,643	2,994
Georg Fischer Inhaber/machinery & eng	Switzerland	1024.60	98.62	93.16	10.4	5.1	3.3	1,828	559
Pargesa Holding Porteur/financial svcs	Switzerland	889.79	116.52	119.11	7.6	NA	4.9	NA	1,085
Sulzer Group/machinery & eng	Switzerland	276.37	33.34	0.00	8.3	3.4	3.7	4,483	932
BBA Group/industrial comp	UK	2.09	0.29	0.20	7.3	3.5	8.1	2,193	625
Bass Plc/bev & tobacco	UK	16.83	2.54	1.56	6.6	6.0	4.5	6,379	7,183
Blue Circle Industries/bldg materials	UK	4.04	0.44	0.31	9.2	5.8	6.3	2,168	2,235
British Aerospace/aero & defense	UK	10.09	1.65	1.58	6.1	2.9	5.6	18,811	2,611
Burton Group/retailing	UK	1.26	0.29	0.09	4.3	3.4	9.0	3,006	706
Cookson Group/misc materials	UK	2.00	0.22	0.15	9.1	4.9	6.8	2,620	891
GKN Plc/machinery & eng	UK	5.86	0.64	0.39	9.1	5.1	7.9	3,641	1,514
Granada/leisure	UK	2.77	0.38	0.24	7.2	2.6	8.5	2,359	834
Greenall Whitley/bev & tobacco	UK	5.72	0.65	0.59	8.9	5.9	4.1	844	681
Laird Group/machinery & eng	UK	3.65	0.44	0.36	8.4	5.2	6.2	871	353
Lucas Industries Plc/industrial comp	UK	2.65	0.35	0.20	7.6	5.7	6.0	3,664	1,829
Ratners/retailing	UK	2.60	0.45	0.36	5.7	3.6	8.7	2,014	761
Steetley/misc materials	UK	5.79	0.62	0.49	9.3	6.0	5.5	1,355	903
T&N/industrial comp	UK	2.62	0.27	0.19	9.8	5.0	9.4	2,238	1,139
TSB Group/banking	UK	2.21	0.23	0.20	9.6	NA	6.5	NA	3,510
Vickers/machinery & eng	UK	3.48	0.48	0.29	7.3	5.8	6.4	1,389	914

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Our international competitors

HOW BIG is Japan's economic clout? Pretty overwhelming if you just look at the raw data. Of the 500 largest non-U.S. public corporations, more than one-third—187—call Japan their homeland. Japanese corporations account for 47% of the $6 trillion revenues of the Forbes International 500 and 48% of the $4 trillion in market value. All of the 5 largest non-U.S. companies are Japanese. The largest is Osaka-based C. Itoh & Co., with sales of $151 billion in its fiscal year ended March 1991. This compares with $125 billion for General Motors, America's largest corporation ranked by sales.

But by other measures than revenues, Japanese companies are not so dominant. The biggest Japanese companies list "trading" (read: wholesaling) as their principal business. This means they produce little or nothing but act as middlemen distributing products to retailers and wholesalers. And they have fewer employees than industrial companies with similar-size revenues.

Looked at by other measures than sheer sales volume, Europe-based companies loom relatively larger. For example, our tables list 81 companies in the United Kingdom, with total employment of 4.5 million, while Japan's 187 firms employ only 4 million. The largest Japanese companies employ an average of only 22,000 people (some do not consolidate employees), versus an average 52,000 for the biggest non-Japanese foreign companies.

The largest industrial company headquartered outside the U.S. is oil giant Royal Dutch/Shell Group, with dual

25 largest public foreign companies

Company/business	Country	Revenue ($mil)	Employees (thou)
C Itoh & Co Ltd/trading	Japan	150,789	7.1[2]
Mitsui & Co Ltd/trading	Japan	147,437	11.7
Sumitomo Corp/trading	Japan	141,695	14.2
Mitsubishi Corp/trading	Japan	139,626	33.0
Marubeni Corp/trading	Japan	138,480	9.9
Royal Dutch/Shell/energy	Netherlands	105,255	137.0
Nissho Iwai Corp/trading	Japan	95,711[1]	7.4
Toyota Motor Corp/automobiles	Japan	62,485	96.8
British Petroleum Co/energy	UK	58,966	118.1
Hitachi Ltd/elec & electron	Japan	54,763	309.8
Daimler-Benz Group/automobiles	Germany	52,917	374.2
Tomen Corp/trading	Japan	49,585[1]	3.4[2]
Fiat Group/automobiles	Italy	47,749	303.2
Matsushita Electric Ind/appliances	Japan	46,708	210.8
Nichimen Corp/trading	Japan	46,588	5.3
Nippon Tel & Tel/telecomm	Japan	44,249	277.9
Kanematsu Corp/trading	Japan	43,141	2.7[2]
Nissan Motor Co Ltd/automobiles	Japan	42,220	138.3
Volkswagen Group/automobiles	Germany	42,124	261.0
Credit Lyonnais/banking	France	40,778	68.5
Unilever/food, household	Netherlands	39,604	301.0
Siemens Group/elec & electron	Germany	37,305	374.0
Suez Group/banking	France	34,979	98.0
Sumitomo Bank Ltd/banking	Japan	34,824	16.5[2]
Dai-Ichi Kangyo Bank/banking	Japan	34,753	18.5[2]

25 large nonpublic foreign companies

Company/business	Country	Revenue ($mil)	Employees (thou)
Nippon Life Ins/insurance	Japan	48,897[1]	15.0
ENI-Ente Naz Idrocarburi/energy	Italy	41,760	82.7
Credit Agricole/banking	France	31,730	74.5
Renault Group/automobiles	France	30,048	157.4
Sumitomo Life Ins/insurance	Japan	29,415[1]	11.0
Meiji Mutual Life Ins/insurance	Japan	24,916[1]	7.9
Tengelmann Group/retailing	Germany	23,766	167.0
Daewoo Group/multi-industry	Korea	22,346	85.8
Robert Bosch Group/automobiles	Germany	19,696	179.6
Pemex-Petroleos Mexicanos/energy	Mexico	19,330	168.0
Asahi Mutual Life Ins/insurance	Japan	17,782[1]	8.1
Groupe Usinor Sacilor/metals-steel	France	17,640	93.0
Norinchukin Bank[2]/banking	Japan	15,082[1]	3.1
Mitsui Mutual Life Ins/insurance	Japan	14,661	32.0
Ruhrkohle/energy	Germany	14,186	119.5
Neste Group/energy	Finland	12,194	11.7
Idemitsu Kosan Co Ltd[2]/energy	Japan	11,977[1]	5.6
Statoil Group/energy	Norway	11,559	13.2
Sunkyong Group/multi-industry	Korea	10,597	21.0
Indian Oil Corporation/energy	India	10,571[1]	33.4
Bank of China/banking	China	10,360	89.2
Vendex Intl Group/retailing	Netherlands	10,201	89.1
Krupp Group/metals-steel	Germany	9,779	58.9
Koc Group/multi-industry	Turkey	9,450	40.9
Bertelsmann/media	Germany	7,494	43.5

[1]Figures are latest available. [2]Not consolidated.

Super Fifty

Rank	Company	Business	Country	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($mil)	Employees (thou)
1	Royal Dutch/Shell Group	energy	Netherlands	105,255	6,458	106,368	72,332[4]	137.0
2	Sumitomo Bank Ltd	banking	Japan	34,824	1,023	372,401[1]	56,338	16.5[2]
3	Nippon Telegraph & Telephone	telecomm	Japan	44,249	1,671	80,751	102,712	277.9
4	Mitsubishi Bank Ltd[3]	banking	Japan	26,670[1]	969[1]	354,972[1]	58,027	14.5[2]
5	Sanwa Bank Ltd	banking	Japan	31,739	800	401,465	49,900	13.9
6	British Petroleum Co	energy	UK	58,966	2,991	59,184	30,377	118.1
7	Fuji Bank Ltd	banking	Japan	31,144	722	366,745[1]	58,633	14.7[2]
8	Toyota Motor Corp	automobiles	Japan	62,485	3,000	55,141	43,967	96.8
9	Dai-Ichi Kangyo Bank	banking	Japan	34,753	648	408,025[1]	57,326	18.5[2]
10	Hitachi Ltd	elec & electron	Japan	54,763	1,629	60,469	27,705	309.8
11	Mitsui Taiyo Kobe Bank	banking	Japan	31,568	609	434,608	48,650	22.9
12	Matsushita Electric Industrial	appliances	Japan	46,708	1,833	49,943[1]	25,439	210.8
13	Daimler-Benz Group	automobiles	Germany	52,917	1,042	45,073	20,354	374.2
14	Barclays Plc	banking	UK	31,234	698	260,063	11,975	116.8
15	Elf Aquitaine Group	energy	France	32,226	1,951	42,319	15,445	90.0
16	British Telecommunications[3]	telecomm	UK	24,307	3,372	33,997	39,730	237.4
17	Deutsche Bank Group	banking	Germany	23,309	634	266,423	17,215	68.6
18	Industrial Bank of Japan	banking	Japan	22,643	467	259,860[1]	64,123	5.1[2]
19	Siemens Group	elec & electron	Germany	37,305	913	41,206	19,447	374.0
20	Unilever	food, household	Netherlands	39,604	1,980	24,737	23,876[5]	301.0
21	Fiat Group	automobiles	Italy	47,749	1,346	65,869	9,826	303.2
22	Nestle	food, household	Switzerland	33,379	1,636	27,461	21,863	199.0
23	Toshiba Corp	elec & electron	Japan	33,232	855	32,958[1]	18,182	156.0
24	Mitsubishi Corp	trading	Japan	139,626	462	84,613	14,246	33.0
25	Tokyo Electric Power Co[2]	utilities	Japan	31,028	418	78,638	37,496	39.6
26	Allianz AG Holding	insurance	Germany	18,658[1]	501[1]	78,497[1]	25,936	43.1
27	Suez Group	banking	France	34,979	716	156,622	7,697	98.0
28	British Gas Plc	utilities	UK	17,538	2,500	24,085[1]	18,350	81.8
29	Sony Corp	appliances	Japan	25,598	828	32,642	15,430	112.9
30	Alcatel Alsthom	elec & electron	France	26,455	943	37,931	10,987	205.5
31	National Westminster Bank Group[3]	banking	UK	29,218	541	232,281	8,734	112.6
32	Nippon Steel Corp	metals-steel	Japan	20,816[1]	819[1]	26,724[1]	23,170	55.3[2]
33	Bank of Tokyo Ltd	banking	Japan	20,314	347	202,854[1]	20,444	17.0
34	Union Bank of Switzerland	banking	Switzerland	13,150	646	180,612	11,585	27.5
35	Imperial Chemical Industries	chemicals	UK	23,034	1,101	20,821	15,554	132.1
36	Tokai Bank Ltd	banking	Japan	18,969	310	230,358[1]	26,080	11.8[2]
37	B. A. T Industries	bev & tobacco	UK	15,284	634	48,140	17,646	110.8
38	Bayer Group Worldwide	chemicals	Germany	25,773	1,164	25,400	10,773	171.0
39	UAP-Union des Assur de Paris	insurance	France	17,868	775	86,074[1]	8,325	39.6
40	BCE Inc	telecomm	Canada	15,747	983	36,186	11,335	119.0
41	Mitsubishi Trust & Banking	financial svcs	Japan	10,711[1]	491[1]	130,883[1]	18,461	6.5[2]
42	Mitsubishi Heavy Industries	machinery & eng	Japan	18,191	686	21,864[1]	18,194	55.8
43	Long-Term Credit Bank of Japan	banking	Japan	17,773	264	187,242[1]	29,767	3.6[2]
44	Sumitomo Trust & Banking	financial svcs	Japan	10,826[1]	494[1]	109,947[1]	15,558	7.1[2]
45	Nomura Securities	financial svcs	Japan	8,411[1]	1,933[1]	39,188[1]	30,777	16.0
46	Nissan Motor Co Ltd	automobiles	Japan	42,220	346	45,786	13,588	138.3
47	Hoechst Group	chemicals	Germany	27,766	927	22,885	9,225	172.9
48	Volkswagen Group	automobiles	Germany	42,124	672	41,977	7,264	261.0
49	VEBA Group	utilities	Germany	33,976	677	24,396[1]	9,773	106.8
50	Dresdner Bank	banking	Germany	14,059	559	187,032	7,733	42.2

[1]Figures are latest available. [2]Not fully consolidated. [3]U.S. GAAP. [4]Combined market value for Royal Dutch Petroleum and Shell Transport & Trading. Price, EPS and yield are only for Royal Dutch Petroleum. [5]Combined market value for Unilever NV and Unilever Plc. Price, EPS and yield are only for Unilever NV.

headquarters in Holland and the U.K. Employing 137,000, it had dollar-denominated sales of $105 billion last year—which makes it the second-largest oil concern in the world after Exxon, whose 1990 sales were only a smidgen higher. (Exxon has 104,000 employees.)

In our country-by-country listing of the International 500 (starting below) we rank companies according to revenues. The International Super Fifty *(see page 239)* are the biggest international companies based on their composite rankings for sales, profits, assets and market value.

Much of the financial information needed to create these tables was provided by Geneva, Switzerland-based Morgan Stanley Capital International Perspective. Its extensive database covers 2,750 non-U.S. companies in 34 nations, making it one of the most comprehensive sources for foreign stock market information. Earnings estimates come from the international database of the Institutional Brokers Estimate System, a service of New York brokerage firm Lynch, Jones & Ryan. It compiles earnings information from 3,200 analysts on 6,000 foreign companies in 28 countries.

What's ahead for the rest of this year for the big overseas companies? For 1991 security analysts are looking for only single-digit earnings growth for much of industrialized Europe, including Germany, France and Spain. The analysts expect earnings declines to hit Belgium, Italy and Switzerland. Among the countries in our survey, Norway is expected to post the best profit gain this year—26%.

There are no interim data in the tables below; revenue, net income and assets are as of the latest available fiscal year. For our per-share earnings figures, we designate as fiscal 1990 any fiscal year ending later than May 1990. For example, Japan's Yasuda Trust & Bank, ranked 222, has not reported for the fiscal year ending in March 1991. That's why we show the IBES estimate of $0.22 a share as Yasuda's 1990 earnings. This estimate is marked with an "E." We also show a 1991 earnings estimate of $0.24 for this financial services company.

With the exception of Brazil, all sales and net income figures are converted into U.S. dollars using the local currency's 12-month average exchange rate as of the fiscal month-end. Because of the high level of inflation in Brazil, for companies in this country we use the month-end exchange rate as of the fiscal reporting date. For all companies, assets were converted at the month-end exchange rate prevailing at the reporting date. Stock prices, market values and 1991 earnings estimates reflect the exchange rates as of our pricing date, May 31, 1991.

Australia

P/E 15 • Yield 5% • Market value $125 billion • Year to date price change 21%

Investors unafraid of getting into something early should look toward Australia. Positioned in time and space between the closing of the U.S. stock markets and the opening of European exchanges, Sydney's trading bell rings ahead of every other major exchange. The average Australian stock has a healthy 5.1% yield, one of the highest in the world. And unlike the U.S., Australian stock dividends are no longer subject to double taxation. The Australian equity market does face some competition from bonds (Aussie government bonds are 260 basis points above U.S. rates), but a moderation in inflation has brought yields down. A cheaper currency helped Australia's trade balance improve dramatically in 1990. Despite a handsome recovery this year, Australian stocks are still off 18% (in U.S. dollars) from their highest month-end close of September 1987.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
119	•Westpac Banking[5]/banking	11,599	319	87,601	4,247	3.62	0.28	0.34	8.9	45.4
121	•Coles Myer Ltd/retailing	11,375	282	4,132	4,441	8.26	0.53	0.51	3.4	158.7
140	•Broken Hill Prop/energy	10,305	847	16,629	14,281	9.47	0.57	0.69	3.3	52.0
150	•National Australia Bank/banking	9,739	599	78,193	5,907	5.08	0.61	0.56	7.6	41.0
157	■ANZ Banking/banking	9,336	322	81,610	2,750	2.74	0.33	0.26	7.2	50.4
211	•Foster's Brewing Group/trading	7,891	248	8,415	2,601	1.16	0.11	0.07	1.6	23.2
249	•News Corp Ltd[3]/media	6,745	158	15,804	1,888	7.03	0.49	0.73	1.1	32.0
373	•Bond Corp Holdings/multi-industry	4,522	-473	1,714	42	0.10	-1.98	NA	0.0	NA
423	•Pacific Dunlop/multi-industry	3,886	231	3,354	2,947	4.06	0.32	0.25	3.9	41.0
432	•Pioneer Intl/bldg materials	3,782	92	3,672	1,431	1.90	0.12	0.15	6.0	11.1
457	•CRA Limited/metals nonfer	3,590	369	6,060	5,634	9.55	0.54	0.61	3.5	19.4
459	■CSR Group/multi-industry	3,582	254	4,751[1]	3,321	4.28	0.33	0.32	7.1	22.4
470	■TNT/trucking, RR	3,451	108	3,452	423	0.82	0.21	0.07	13.9	52.0
479	■Amcor Ltd/forest products	3,366	139	3,068	1,958	4.02	0.30	0.26	5.1	18.0

● Sponsored ADR. ■ Non-sponsored ADR. All figures except per-share items are in millions of U.S. dollars. General note: Revenue, net income and 1990 EPS are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. Revenue figures are for group or consolidated operations and exclude excise taxes and duties. For companies with January, February or March fiscal year-ends, fiscal 1990 figures are used unless noted. Market value is as of May 31, 1991. [1]Figures are latest available. [2]Not fully consolidated. [3]U.S. GAAP. E-Estimate. NA-Not available. *Sources: Morgan Stanley Capital International Perspective; FORBES. Earnings estimates provided by the International Edition of Institutional Brokers Estimate System (IBES).*

Belgium

P/E 11 • Yield 5% • Market value $65 billion • Year to date price change 15%

Brussels houses the main body of the 12-nation EC. A favorable tax system for distribution centers helps Belgium attract foreign companies. The little (pop. 10 million) country's positive outlook toward free trade is no surprise. Fully 70% of its GNP goes out of the country as exports. Linking the Belgian franc to the deutsche mark helps keep Belgium's currency stable and lowers the possibility of imported inflation. Belgium's downside? If its trading partners catch colds, Belgium gets pneumonia. But considering its experience with cross-border trade, Belgium is well positioned for next year's full economic integration of the common market.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
101	•Petrofina SA/energy	13,015	650	12,308	7,262	327.24	28.70	27.32	4.8	23.8
183	Generale Bank Group/banking	8,507	241	76,047	2,044	142.34	16.82	17.14	7.1	15.6[2]
210	Delhaize "Le Lion"/retailing	7,965	113	2,388	2,215	216.02	10.89	12.31	1.2	62.5
216	Solvay Group/chemicals	7,638	501	8,906	3,116	376.08	59.01	50.07	4.9	45.7
244	Bank Bruxelles Lambert/banking	6,811	95	65,722	1,198	78.43	6.25	8.43	6.5	17.0
267	Arbed SA/metals-steel	6,247	180	8,370	735	117.50	28.70	15.85	4.8	54.0
268	GIB Group/retailing	6,215	90	2,370	1,198	38.40	3.03	2.99	2.9	18.4
276	Cockerill Sambre SA/metals-steel	6,078	374	5,215[1]	1,592	5.00	1.17	0.61	6.7	29.0
279	Kredietbank NV/banking	6,026	186	54,330	1,764	120.29	14.26	12.89	5.3	11.6
300	Electrabel SA/utilities	5,626	663	NA	6,434	125.87	12.42E	11.97	8.3	35.2
454	ACEC-Union Miniere/metals nonfer	3,607	109	3,942	1,661	67.12	4.40	3.15	5.0	16.7

Canada

P/E 21 • Yield 3% • Market value $242 billion • Year to date price change 9%

Canada's unemployment rate is 10.3% and could go higher. The Bank of Montreal's *Business Review* expects that in the second half of 1991 the Canadian dollar will weaken against the U.S. dollar and interest rates will drop. However, even if the economy rebounds in the second half, it is unlikely Canada's gross domestic product will show a gain for the year. Ernest Stokes of Toronto's Wefa Group, an economic consulting firm, is forecasting that 1991's gross domestic product will show a 0.7% decrease. On a total-return basis (pretax capital gains plus dividends) Canada has been one of the worst-performing markets of the last five years.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
81	BCE Inc/telecomm	15,747	983	36,186	11,335	37.03	3.00	3.45	6.0	119.0
107	Royal Bank of Canada/banking	12,531	827	107,879	6,689	22.18	2.57	2.53	4.6	50.1
123	Canadian Imperial Bank/banking	11,140	687	97,821	5,121	28.40	3.45	3.42	4.1	35.8
158	George Weston Ltd/retailing	9,304	107	3,195	1,740	37.57	2.16	1.83	1.6	64.2
164	Bank of Montreal/banking	9,159	447	74,841	3,730	31.79	3.60	3.75	5.8	33.6
170	Canadian Pacific Ltd/multi-industry	8,999	305	17,430	5,671	17.81	0.95	0.70	4.5	72.2
179	Alcan Aluminium Ltd/metals nonfer	8,757	543	10,649	4,747	21.30	2.33	0.51	5.3	57.0
200	Noranda/metals nonfer	8,086	103	12,856	3,305	17.37	0.31	0.12	5.0	56.0
208	Bank of Nova Scotia/banking	7,984	439	74,719	3,073	15.62	2.00	2.18	5.6	30.1
253	Toronto-Dominion Bank/banking	6,644	510	57,307	4,867	16.16	1.54	1.49	4.1	24.6
303	Provigo Inc/retailing	5,599	52	1,298	846	9.83	0.61	0.72	2.1	13.5
317	Thomson Corp/media	5,364	385	7,860	7,932	14.31	0.70	0.72	3.2	44.8
335	Seagram Co Ltd/bev & tobacco	5,027	756	11,477	10,270	109.22	8.03	8.14	1.8	17.6
347	Great-West Lifeco/insurance	4,859	100	18,016	1,085	13.76	1.27	1.39	3.2	6.6
390	Royal Trustco Ltd/banking	4,307	-56	35,289	1,453	9.61	-1.03	0.66	6.7	9.2
393	Hudson's Bay Co/retailing	4,264	136	2,666	1,387	28.40	2.87	1.89	2.5	37.0
408	Nova Corp of Alberta/utilities	4,059	159	6,046	2,391	7.98	0.48	0.42	5.7	10.0

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Canada

P/E 21 • Yield 3% • Market value $242 billion • Year to date price change 9%

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
412	**John Labatt**/bev & tobacco	3,968	143	2,529	1,530	19.99	1.70	1.62	3.4	16.5
414	**Oshawa Group Ltd**/retailing	3,946	52	855	979	26.87	1.67	1.98	1.5	16.5
439	**National Bank of Canada**/banking	3,754	146	30,771	1,234	9.83	0.96	1.26	7.2	13.9
460	**Varity**/machinery & eng	3,565	102	2,975	632	2.53	0.34	0.16	0.0	18.7
477	**Air Canada**/airlines	3,376	–63	3,946	623	8.41	–0.87	–0.55	0.0	23.1

France

P/E 12 • Yield 3% • Market value $323 billion • Year to date price change 21%

By capitalization, the French stock market is the fourth-largest foreign market, after Japan, the U.K. and Germany. France's economy slowed in 1991: According to the French Finance Ministry, GDP is expected to grow 1.5% in 1991, versus 2.8% in 1990. Paul Meyer, the head of International Equities at Societe Generale Securities in New York, expects the French market will not finish the year much higher than its current level. Meyer expects that the CAC 40 index of French stocks will fluctuate between 1800 and 1900 points (it is currently at 1776). In 1990 the French spent more than $9 billion on acquiring or merging with U.S. assets. The biggest purchases: acquisitions of Rorer Group by Rhone-Poulenc and Norton Co. by Saint-Gobain.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
20	**Credit Lyonnais**/banking	40,778	681	285,238	2,860	97.92	23.32	19.16	6.0	68.5
23	**Suez Group**/banking	34,979	716	156,622	7,697	59.06	5.23	5.81	3.4	98.0
29	•**Elf Aquitaine Group**/energy	32,226	1,951	42,319	15,445	62.91	7.95	6.77	4.2	90.0
37	■**Peugeot Groupe SA**/automobiles	29,383	1,708	22,523	5,093	101.98	33.97	18.31	4.0	158.1
40	**BNP Group**/banking	27,958	297	289,747	2,758	44.80	4.82	6.46	3.0	59.8
44	•**Alcatel Alsthom**/elec & electron	26,455	943	37,931	10,987	101.30	8.70	8.59	3.1	205.5
50	**Total-Francaise Petrol**/energy	23,507	746	20,643	4,847	132.25	20.39	17.27	4.4	39.9
55	**Generale des Eaux**/services	21,486	408	18,663[1]	6,773	450.19	20.94	22.67	2.3	154.0
56	**Societe Generale**/banking	21,401	492	218,381	5,140	74.75	7.16	7.60	5.1	45.8
62	**Paribas Group**/banking	19,228	467	184,232	5,590	80.50	6.73	7.27	3.8	26.9
68	**UAP-Union des Assur**/insurance	17,868	775	86,074[1]	8,325	99.10	9.23	9.28	2.8	39.6
71	**GAN-Assur Nationales**/insurance	17,556	441	116,046	3,487	341.62	42.40	42.60	2.3	49.0
89	•**Rhone-Poulenc Group**/chemicals	14,473	201	21,280	3,368	59.19	3.54	4.28	6.7	91.6
91	**Pechiney**/metals nonfer	14,117	902	14,156	2,897	57.33	8.09	6.81	6.6	69.7
95	**Carrefour Group**/retailing	13,929	248	6,034	4,314	337.39	19.47	20.33	2.4	51.3
102	**Lyonnaise des Eaux-Dumez**/services	12,980	262	18,542	4,638	101.47	5.81	5.63	2.5	110.0
105	**Saint-Gobain**/misc materials	12,685	617	17,423	4,897	75.07	9.46	7.71	4.9	96.1
120	**Michelin Group**/industrial comp	11,521	–884	14,829	1,863	17.42	–8.26	–2.09	0.0	123.0
128	**Promodes Group**/retailing	10,739	70	4,695	1,140	366.82	22.41	22.65	1.8	33.2
138	**Bouygues Group**/construction	10,418	115	11,316	1,717	104.69	7.03	7.28	3.6	57.5
148	**AGF-Assur Generales**/insurance	9,744	496	36,698	4,640	90.65	11.32	10.98	2.6	20.0
152	•**BSN-Groupe**/food, household	9,714	568	11,562	8,530	153.56	10.22	10.21	2.2	49.7
163	**Schneider SA**/machinery & eng	9,161	170	9,667	1,780	125.82	12.00	11.46	2.6	75.0
193	**Casino Groupe**/retailing	8,240	71	2,647[1]	1,135	22.81	1.43	6.81	5.6	33.0
238	**Credit Commercial**/banking	7,023	149	55,269	1,371	25.84	2.82	2.74	3.4	11.2
245	•**Thomson CSF SA**/aero & defense	6,799	399	13,794	2,881	25.91	3.59	3.44	6.7	37.8
262	■**Groupe Bull**/data processing	6,350	–1,247	5,570	362	7.51	–2.30E	–1.02	0.0	44.5

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France

P/E 12 • Yield 3% • Market value $323 billion • Year to date price change 21%

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
272	**Credit Foncier**/banking	6,161	128	63,475	2,064	214.78	13.33	21.09	4.3	3.4
281	**Pinault**/bldg materials	5,981	192	2,284[1]	1,144	53.10	8.92	5.91	4.5	34.0
282	**Lafarge Coppee**/bldg materials	5,976	403	8,971	3,463	64.69	7.52	6.32	3.5	31.0
306	■**L'Oreal Group**/personal care	5,575	334	4,901	5,690	98.09	5.75	5.49	1.8	29.3
310	**Hachette SA**/media	5,518	90	5,159	663	33.74	4.59	1.81	3.0	31.0
319	**Groupe Printemps**/retailing	5,362	58	2,922[1]	737	107.22	8.53	7.94	3.6	30.0
321	■**L'Aire Liquide Group**/chemicals	5,310	362	7,127	6,069	118.72	7.08	7.31	2.8	27.0
340	**SAE-Aux d'Enterprise**/construction	4,941	46	5,502	810	199.56	11.40	13.93	4.2	26.0
349	**Docks de France**/retailing	4,849	57	1,937	733	635.04	49.22	47.30	3.1	21.1
364	**Euromarche SA**/retailing	4,648	1	1,899	801	713.68	0.92	5.47	0.0	17.2
376	**CMB Packaging**/misc materials	4,484	135	4,841	1,953	24.46	1.69	1.88	3.7	34.0
380	**Matra**/aero & defense	4,471	111	5,333[1]	951	40.93	4.79	4.39	5.0	21.2
384	**OCP-Office Commercial**/chemicals	4,415	10	1,108	187	85.41	4.72	10.93	4.0	6.1
388	•**Havas**/services	4,345	202	3,408	3,210	83.55	5.26	4.87	2.1	11.4
398	**Accor SA**/leisure	4,194	146	5,279	2,808	131.74	6.87	7.41	2.9	65.9
426	**GTM-Entrepose**/construction	3,874	29	5,656	649	75.09	3.31	4.97	2.0	25.0
441	■**Valeo**/industrial comp	3,707	111	3,340	955	77.63	9.00	6.53	2.0	29.3
446	**Comptoirs Modernes SA**/retailing	3,665	53	1,511	810	197.53	12.84	13.48	2.1	15.7
449	•**LVMH**/bev & tobacco	3,642	620	8,813	10,023	721.12	44.63	46.55	2.4	13.3
452	**Imetal**/metals nonfer	3,613	73	1,569	600	52.00	6.32	5.54	4.4	5.9
458	**Poliet SA**/bldg materials	3,586	209	2,820	1,067	78.64	15.38	8.85	3.2	15.0
468	**Dassault Aviation SA**/aero & defense	3,454	52	7,046	796	78.64	5.17	7.01	2.4	15.7

Germany

P/E 16 • Yield 3% • Market value $358 billion • Year to date price change 20%

In 1990 west Germany matched its strongest GNP growth (4.6%) since 1976. But the former communist part of the country witnessed a 50% drop in GNP following the dismemberment of its planned economy. Unemployment fell 0.7% in west Germany, but over a million people were reported out of work in the east. Elisabeth Messner, an economist for the Union Bank of Switzerland, conservatively estimates that east German unemployment will top 1.5 million this year. Reunification has also brought a sharp rise in government debt: The combined deficit of federal, state and local governments and Germany's share of the Unity Fund (for rebuilding east Germany) are expected to rise to nearly DM 150 billion ($80 billion) in 1991, or 5.3% of GNP.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
11	■**Daimler-Benz Group**/automobiles	52,917	1,042	45,073	20,354	436.85	29.65	28.24	2.5	374.2
19	•**Volkswagen Group**/automobiles	42,124	672	41,977	7,264	226.29	23.02E	18.03	4.4	261.0
22	■**Siemens Group**/elec & electron	37,305	913	41,206	19,447	372.79	25.98	25.09	3.1	374.0
26	**VEBA Group**/utilities	33,976	677	24,396[1]	9,773	218.71	17.45	16.30	4.5	106.8
39	■**BASF Group**/chemicals	28,856	685	24,602	8,507	149.25	14.85	13.26	7.8	134.1
41	■**Hoechst Group**/chemicals	27,766	927	22,885	9,225	158.90	17.95	15.50	7.3	172.9
46	■**Bayer Group**/chemicals	25,773	1,164	25,400	10,773	168.60	18.57	16.94	6.9	171.0
48	■**RWE Group**/utilities	24,901	441	29,286	10,307	243.40	13.85	14.87	3.7	97.6
52	■**Deutsche Bank Group**/banking	23,309	634	266,423	17,215	390.07	35.03E	35.82	3.2	68.6
57	■**Thyssen Group**/metals-steel	21,364	375	14,626	3,967	126.29	18.30	13.26	7.1	149.6

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Germany

P/E 16 • Yield 3% • Market value $358 billion • Year to date price change 20%

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
66	**Allianz Worldwide**/insurance	18,658[1]	501[1]	78,497[1]	25,936	1,440.87	31.44E	36.22	0.8	43.1
75	**BMW-Bayerische Motor**/automobiles	16,821	431	15,061	5,185	326.64	35.28	30.31	3.4	65.8
84	**Preussag Group**/multi-industry	15,319E	243E	8,695	2,945	208.38	19.12	17.51	4.6	68.6
87	■**Mannesmann Group**/machinery & eng	14,818	294	12,146	5,095	160.16	14.71	10.10	5.0	125.4
92	■**Dresdner Bank**/banking	14,059	559	187,032	7,733	221.47	16.09E	15.39	4.9	42.2
111	**VIAG Group**/multi-industry	12,038	207	7,023[1]	3,858	217.28	18.75E	17.57	3.3	56.0
115	**Metallgesellschaft**/multi-industry	11,706	114	7,166	2,349	307.69	14.58	12.63	2.9	30.0
122	●**Commerzbank**/banking	11,259	343	144,240	3,966	154.13	13.06E	13.09	5.8	28.2
132	**M A N Group**/machinery & eng	10,660	175	10,387	3,247	224.46	14.58	15.44	4.4	65.9
147	■**Bayer Vereinsbank**/banking	9,827	201	137,796	3,672	231.92	19.56E	19.46	5.0	20.2
159	■**Karstadt Group**/retailing	9,304	141	4,036	2,670	370.84	17.39E	17.05	2.9	71.0
168	**Kaufhof**/retailing	9,036	74	2,791[1]	2,639	308.84	11.15	11.42	3.1	44.8
174	■**Deutsche Lufthansa**/airlines	8,943	9	9,732	2,243	74.11	–0.12E	–1.21	0.0	57.6
194	**Degussa AG**/misc materials	8,222	87	4,502	1,496	204.94	15.06	11.14	4.8	35.0
202	**Bayer Hypotheken**/banking	8,075	189	116,834	3,591	216.99	21.11E	20.84	5.4	14.4
214	■**Hoesch Group**/metals-steel	7,780	61	6,675	1,057	148.57	18.57	15.96	6.0	52.2
223	**Henkel Group**/food, household	7,438	241	6,133	4,912	349.60	19.81	19.35	2.4	38.8
229	**Munchener Ruck**[2]/insurance	7,246	38	20,249	10,153	1,389.21	11.51	16.36	0.7	1.8
323	■**Continental Group**/industrial comp	5,292	58	4,128	955	108.78	6.87	4.13	3.3	48.2
338	**Asko**/retailing	4,973[1]	67[1]	3,446[1]	1,545	465.56	29.84E	40.36	2.9	34.4
400	**Philipp Holzmann AG**/construction	4,186[1]	78[1]	2,788[1]	2,496	887.49	14.36E	17.97	1.0	28.4
417	**VEW-Vereinigte Elekt**/utilities	3,917	94	6,725	2,417	120.84	7.04	6.72	4.8	8.0
437	**Linde AG**/machinery & eng	3,756	126	3,873	3,327	486.80	26.30	25.20	2.8	25.8
440	**Hochtief**/construction	3,720	51	2,563[1]	4,363	872.56	16.22E	17.51	1.0	26.2
445	**Schering Group**/personal care	3,666	160	4,266	3,233	473.02	25.99	26.23	2.5	26.0
467	**BayWa AG**/trading	3,475	5	1,248	200	189.44	NA	NA	1.9	11.4
469	■**Klockner-Werke Group**/metals-steel	3,452	42	3,631	747	81.52	20.37	9.19	5.5	34.8
472	**Deutsche Babcock**/machinery & eng	3,425	–50	1,941	672	98.85	–0.06	1.32	0.0	29.7

Italy

P/E 16 • Yield 3% • Market value $161 billion • Year to date price change 17%

While most Western economies were struggling with a recession, Italy technically avoided one: It had only one quarter of negative GNP growth (in the fourth quarter of 1990). Nevertheless, the Union Bank of Switzerland estimates that Italy's GDP will show real growth, after inflation, of only 1.7% in 1991. This would be the lowest growth rate for Italy since 1983.

New stock exchange intermediaries (SIMs) have been approved by the lower house of parliament. Known as *Societa di Intermediazione Mobiliare* in Italian, this new type of brokerage should increase competition in securities trading, thereby lowering transaction costs and improving market efficiency. A computerized linkup among the ten regional markets is also in the works.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
13	●**Fiat Group**/automobiles	47,749	1,346	65,869	9,826	4.58	0.56	0.26	6.2	303.2
76	■**STET**/telecomm	16,693	NA	39,118[1]	7,969	1.77	0.18E	0.18	4.4	121.3
94	●**Ferruzzi/Montedison**/multi-industry	13,971	207	30,774	4,406	1.18	0.15	0.24	3.3	44.6
156	**Generali Group**/insurance	9,399[1]	418[1]	28,390[1]	16,402	28.15	0.75E	0.85	1.0	21.2
166	**Banca Commerciale Italiana**/banking	9,092	398	92,616	3,819	3.74	0.38	0.37	4.1	20.9

● Sponsored ADR. ■ Non-sponsored ADR. All figures except per-share items are in millions of U.S. dollars. General note: Revenue, net income and 1990 EPS are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. Revenue figures are for group or consolidated operations and exclude excise taxes and duties. For companies with January, February or March fiscal year-ends, 1990 figures are used unless noted. Market value is as of May 31, 1991. [1]Figures are latest available. [2]Not fully consolidated. E: Estimate. NA: Not available. *Sources: Morgan Stanley Capital International Perspective; FORBES. Earnings estimates provided by the International Edition of Institutional Brokers Estimate System (IBES).*

Italy

P/E 16 • Yield 3% • Market value $161 billion • Year to date price change 17%

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
209	■Pirelli SpA/industrial comp	7,973	190	10,112	1,411	1.44	0.13E	0.11	3.8	67.2
220	Olivetti Group/data processing	7,542	50	12,427	1,677	2.94	0.08	0.09	0.0	53.7
251	Credito Italiano SpA/banking	6,706	282	80,565	3,207	2.09	0.18	0.17	3.2	16.4
299	Banco di Roma/banking	5,634	90	66,406	2,719	2.27	0.11E	0.11	1.7	14.0
371	Alitalia/airlines	4,582	–82	3,318[1]	571	0.61	–0.08	NA	0.0	29.2
383	SME/food, household	4,446	NA	2,345[1]	1,144	2.62	0.17E	0.16	3.3	20.0

Japan

P/E 37 • Yield 1% • Market value $3,044 billion • Year to date price change 12%

Through the first five months of the year, Japanese stocks were up 11% in dollar terms, but that left them almost one-third off their December 1989 highs. Then, in mid-June, Japan's market declined sharply when confidence was shaken by news that Nomura Securities and other Japanese brokerage houses may in effect be manipulating the market by compensating some of their larger clients for losses. Even after the sharp pullback, from a value standpoint the Tokyo market is still expensive. At 37, its price/earnings ratio is the second highest (after Denmark's); Japanese stocks offer the lowest dividend yield and sell for the highest price-to-book ratio among the 24 international stock markets covered by Morgan Stanley.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
1	■C Itoh & Co Ltd/trading	150,789	223	58,344	7,155	5.02	0.18E	0.19	0.9	7.1[2]
2	•Mitsui & Co Ltd/trading	147,437	290	61,170[1]	8,917	5.78	0.19	0.22	0.9	11.7
3	Sumitomo Corp/trading	141,695	333	42,398	8,461	7.96	0.31	0.39	0.7	14.2
4	■Mitsubishi Corp/trading	139,626	462	84,613	14,246	9.11	0.29	0.35	0.6	33.0
5	■Marubeni Corp/trading	138,480	242	66,978	7,049	4.73	0.16	0.09	0.9	9.9
7	Nissho Iwai Corp/trading	95,711[1]	82[1]	32,424[1]	3,459	4.41	0.12E	0.13	0.8	7.4
8	■Toyota Motor Corp/automobiles	62,485	3,000	55,141	43,967	13.02	0.89	0.82	1.1	96.8
10	•Hitachi Ltd/elec & electron	54,763	1,629	60,469	27,705	8.46	0.50	0.50	0.9	309.8
12	Tomen Corp/trading	49,585[1]	59[1]	13,715[1]	2,639	3.94	0.10E	0.11	1.0	3.4[2]
14	•Matsushita Electric Indl/appliances	46,708	1,833	49,943[1]	25,439	12.15	0.88	0.84	0.6	210.8
15	Nichimen Corp/trading	46,588	61	16,658	1,684	3.98	0.14	0.16	1.1	5.3
16	Nippon Tel & Tel/telecomm	44,249	1,671	80,751	102,712	659.68	10.71	9.76	0.6	277.9
17	Kanematsu Corp/trading	43,141	79	13,149	1,414	5.55	0.31	0.33	0.8	2.7[2]
18	■Nissan Motor Co Ltd/automobiles	42,220	346	45,786	13,588	5.41	0.14	0.24	1.9	138.3
24	■Sumitomo Bank Ltd/banking	34,824	1,023	372,401[1]	56,338	17.94	0.33	0.33	0.3	16.5[2]
25	■Dai-Ichi Kangyo Bank/banking	34,753	648	408,025[1]	57,326	18.37	0.21	0.28	0.3	18.5[2]
28	Toshiba Corp/elec & electron	33,232	855	32,958[1]	18,182	5.67	0.25	0.29	1.3	156.0
30	■Sanwa Bank Ltd/banking	31,739	800	401,465	49,900	17.22	0.28	0.34	0.4	13.9
31	■Mitsui Taiyo Kobe/banking	31,568	609	434,608	48,650	14.68	0.20	0.20	0.4	22.9
33	■Fuji Bank Ltd/banking	31,144	722	366,745[1]	58,633	20.25	0.25	0.27	0.3	14.7[2]
34	Tokyo Electric Power Co[3]/utilities	31,028	418	78,638	37,496	27.99	0.31	0.39	1.3	39.6
36	•Honda Motor Co Ltd/automobiles	30,447	540	20,946	9,498	9.77	0.56	0.45	1.0	85.5
43	•Mitsubishi Bank Ltd[3]/banking	26,670[1]	969[1]	354,972[1]	58,027	20.18	0.28E	0.31	0.3	14.5[2]
45	•NEC Corp/elec & electron	26,182	385	23,435[1]	16,691	10.85	0.25	0.38	0.6	114.6
47	•Sony Corp/appliances	25,598	828	32,642	15,430	45.57	2.44	2.45	0.8	112.9

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Japan

P/E 37 • Yield 1% • Market value $3,044 billion • Year to date price change 12%

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
51	■Mitsubishi Electric Corp/elec & electron	23,471	565	23,532	11,703	5.47	0.24	0.27	1.3	97.0
54	■Indl Bank of Japan/banking	22,643	467	259,860[1]	64,123	27.27	0.20	0.25	0.2	5.1[2]
58	■Fujitsu Ltd/data processing	21,029	585	18,899[1]	14,811	8.17	0.32	0.39	0.8	115.0
59	Nippon Steel Corp/metals-steel	20,816[1]	819[1]	26,724[1]	23,170	3.36	0.10E	0.09	1.3	55.3[2]
60	■Bank of Tokyo Ltd/banking	20,314	347	202,854[1]	20,444	10.20	0.17	0.20	0.6	17.0
61	Mitsubishi Motors/automobiles	19,805	183	11,266[1]	4,904	5.74	0.21	0.19	0.8	25.3[2]
63	Mazda Motor Corp/automobiles	19,210	189	8,796[1]	4,668	4.34	0.18	0.15	1.3	29.0[2]
64	■Tokai Bank Ltd/banking	18,969	310	230,358[1]	26,080	12.88	0.21E	0.25	0.5	11.8[2]
67	Mitsubishi Heavy Inds/machinery & eng	18,191	686	21,864[1]	18,194	5.41	0.20	0.23	1.1	55.8
69	Long-Term Credit Bk/banking	17,773	264	187,242[1]	29,767	12.44	0.11	0.19	0.5	3.6[2]
74	■Kyowa Saitama Bank Ltd/banking	17,058E	NA	NA	21,809	9.40	0.18E	0.20	0.5	16.2[2]
79	■Daiei Inc/retailing	16,016	67	7,484[1]	3,829	9.84	0.17	0.19	1.2	17.0[2]
80	Kansai Electric[2]/utilities	15,890	398	41,163	20,605	21.27	0.41	0.35	1.7	24.8
88	Nippon Oil Co Ltd/energy	14,611[1]	164[1]	13,982[1]	9,394	7.67	0.16E	0.17	0.6	9.6
99	Toyota Tsusho Corp/trading	13,382[1]	60[1]	5,547[1]	1,705	6.76	0.23E	0.24	0.8	1.8[2]
103	Chubu Electric Power[2]/utilities	12,946	217	27,131[1]	15,801	21.41	0.29	0.28	1.7	20.4
104	•Ito-Yokado Co Ltd/retailing	12,836	485	7,743	12,901	31.47	1.19	1.24	0.5	31.1
106	■Sumitomo Metal Ind/metals-steel	12,638[1]	273[1]	14,135[1]	10,809	3.58	0.12E	0.10	1.2	28.0
110	■Bridgestone Corp/industrial comp	12,322	31	13,013	5,914	7.67	0.04	0.07	1.4	95.3
113	Kawasho Corp[2]/trading	11,976	18	4,998[1]	627	5.21	0.15	0.15	0.8	2.3
114	•Canon Inc/leisure goods	11,934	424	13,601	8,164	10.92	0.57	0.62	0.8	54.4
116	■Taisei Corp/construction	11,693[1]	144[1]	14,256[1]	7,260	7.13	0.22E	0.29	1.1	12.1[2]
117	Showa Shell Sekiyu/energy	11,626	70	6,700	3,062	11.21	0.26	0.37	0.4	2.3[2]
124	■Kajima Corp/construction	11,062[1]	200[1]	14,192[1]	10,813	11.28	0.34E	0.47	0.7	13.2[2]
125	Shimizu Corp/construction	10,943[1]	193[1]	14,218[1]	8,261	10.49	0.40E	0.50	0.6	10.9[2]
126	Sumitomo Trust & Bk/financial svcs	10,826[1]	494[1]	109,947[1]	15,558	12.51	0.27E	0.28	0.5	7.1[2]
127	Nippon Express Co/trucking, RR	10,759	128	5,943[1]	6,962	6.49	0.12	0.13	0.7	51.5[2]
129	Cosmo Oil Co Ltd/energy	10,712[1]	67[1]	9,183[1]	3,410	6.02	0.14E	0.15	0.6	3.5[2]
130	■Mitsubishi Trust/financial svcs	10,711[1]	491[1]	130,883[1]	18,461	14.18	0.27E	0.28	0.4	6.5[2]
135	■Sharp Corp/appliances	10,590	332	12,930[1]	12,227	11.50	0.31	0.35	0.7	34.0
137	■Nippondenso Co Ltd/industrial comp	10,440	436	10,392	10,254	12.30	0.52	0.52	0.8	53.6
139	■Isuzu Motors Ltd/machinery & eng	10,352	-53	8,846	3,840	3.73	-0.05	-0.22	1.0	13.4[2]
141	Nippon Credit Bank/banking	10,292	156	115,200[1]	13,431	77.40	0.90	1.52	0.6	2.5[2]
142	■NKK Corp/metals-steel	10,152[1]	274[1]	17,805[1]	10,730	3.05	0.07E	0.06	1.2	29.3
143	Daiwa Bank Ltd[2]/banking	10,132	248	124,823	13,897	9.33	0.17E	0.18	0.5	9.3
144	■Sanyo Electric Co/appliances	10,106	120	14,986	8,307	4.30	0.06	0.07	1.4	55.1
151	■Kumagai Gumi Co Ltd/construction	9,732	78	15,766	4,058	5.97	0.16	0.17	1.1	8.6[2]
153	■Jusco Co Ltd/retailing	9,586[1]	109[1]	5,567[1]	3,633	11.79	0.34E	0.39	1.2	23.3
161	Kobe Steel Ltd/metals-steel	9,284[1]	163[1]	13,238[1]	11,075	3.91	0.06E	0.06	1.1	22.1[2]
162	■Asahi Chemical Inds/chemicals	9,202	302	7,631[1]	7,779	5.71	0.22	0.20	1.1	25.9
169	Seiyu Ltd/retailing	9,011	78	8,877[1]	2,811	13.82	0.38	0.43	0.8	11.3[2]
176	Mitsui Real Estate/real estate	8,897	293	18,734[1]	8,402	10.49	0.37	0.43	0.6	8.9
178	■Japan Air Lines/airlines	8,787[1]	124[1]	10,538[1]	14,216	8.39	0.07E	0.10	0.4	21.4[2]
181	Suzuki Motor Corp/automobiles	8,565	113	4,490[1]	2,133	5.14	0.14E	0.15	1.1	13.1[2]
182	■Asahi Glass Co Ltd/misc materials	8,522	324	9,793	11,642	9.98	0.28	0.31	0.7	9.5[2]
184	■Kawasaki Steel Corp/metals-steel	8,500[1]	391[1]	11,978[1]	10,349	3.18	0.10E	0.09	1.4	18.4[2]
186	Mitsui Trust & Bank/financial svcs	8,462[1]	454[1]	185,734[1]	13,519	11.28	0.21E	0.22	0.6	6.7[2]
187	■Nomura Securities Co Ltd/financial svcs	8,411[1]	1,933[1]	39,188[1]	30,777	15.70	0.46E	0.56	0.7	16.0

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Japan

P/E 37 • Yield 1% • Market value $3,044 billion • Year to date price change 12%

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
188	Nichii Co Ltd/retailing	8,349	81	7,246	3,195	11.65	0.26	0.39	1.2	19.5
190	■Dai Nippon Printing/services	8,281	307	7,099[1]	8,723	11.65	0.39	0.46	0.8	23.8
191	Kyushu Electric[2]/utilities	8,274	234	19,332[1]	9,495	20.25	0.50	0.46	1.8	14.3
195	Tohoku Electric[2]/utilities	8,196	255	14,593[1]	10,294	20.69	0.51	0.50	1.8	13.7
197	Obayashi Corp/construction	8,115[1]	157[1]	10,413[1]	6,034	8.10	0.29E	0.38	0.6	11.2[2]
201	■Mitsubishi Kasei Corp/chemicals	8,083[1]	167[1]	9,385[1]	6,596	4.26	0.08E	0.08	1.0	9.0[2]
212	■Sumitomo Electric/industrial comp	7,857	224	7,415	7,567	10.71	0.32	0.37	0.6	32.9
217	Taiyo Fishery Co Ltd/food, household	7,624	–41	3,277	1,072	3.57	–0.14	–0.10	0.6	12.4
218	■Sekisui House Ltd/construction	7,577	306	7,692[1]	6,678	10.85	0.50	0.62	1.2	11.0
222	■Yasuda Trust & Bank/financial svcs	7,471[1]	353[1]	87,459[1]	14,121	12.80	0.22E	0.24	0.5	5.9[2]
225	Sumitomo Chemical Co Ltd/chemicals	7,379	158	8,216[1]	6,158	3.80	0.10	0.11	1.1	14.5
227	Takashimaya Co Ltd/retailing	7,308[1]	116[1]	3,911[1]	3,435	15.55	0.77E	0.54	0.5	14.1
228	■Fuji Photo Film/leisure goods	7,252	615	11,824	11,456	24.59	1.32	1.50	0.4	21.9
232	•Tokio Marine & Fire Ins/insurance	7,121	262	32,327	15,085	9.77	0.17	0.19	0.6	13.0
233	Nippon Mining Co Ltd/energy	7,114[1]	18[1]	6,454[1]	4,063	4.50	0.05E	0.08	0.8	5.7[2]
234	•Ricoh Co Ltd/data processing	7,101	96	8,444	3,605	5.53	0.15	0.15	1.3	45.0
235	■Matsushita Elec Work/elec & electron	7,084	228	7,542	7,738	11.86	0.35	0.43	0.7	23.6
236	■Mitsukoshi/retailing	7,081[1]	51[1]	2,715[1]	4,418	9.19	0.08E	0.13	0.5	11.7[2]
242	■Daiwa Securities Co/financial svcs	6,843[1]	1,148[1]	34,124[1]	13,199	9.84	0.41E	0.50	1.0	10.3
243	■Toppan Printing Co/services	6,833[1]	232[1]	5,902[1]	6,943	10.78	0.38E	0.40	0.7	15.2
246	Snow Brand Milk Prods/food, household	6,784[1]	46[1]	2,684[1]	1,692	6.00	0.17E	0.18	0.8	8.0[2]
257	■Toray Industries/chemicals	6,492	266	6,724[1]	6,642	4.77	0.19	0.15	1.1	25.3
258	Kawasaki Heavy Inds/machinery & eng	6,441[1]	88[1]	6,434[1]	5,969	4.49	0.07E	0.08	0.8	17.2[2]
261	Chugoku Electric[2]/utilities	6,353	153	13,626[1]	6,520	19.02	0.42	0.47	1.9	11.2
265	•Kubota Corp/machinery & eng	6,320	51	6,295[1]	7,723	5.48	0.04	0.05	0.7	15.7[2]
269	•Komatsu Ltd/machinery & eng	6,210[1]	191[1]	7,828[1]	6,413	6.40	0.22E	0.23	0.9	23.8
271	Daihatsu Motor Co/automobiles	6,174	51	4,170	1,878	4.41	0.12	0.10	1.0	19.8
273	Itoman Corp/trading	6,144[1]	53[1]	9,589[1]	910	4.34	–0.25E	–0.03	0.0	1.4[2]
283	Fuji Electric Co Ltd/elec & electron	5,933	157	4,960[1]	4,726	6.66	0.22	0.17	0.9	13.5[2]
286	■Fuji Heavy Inds/automobiles	5,799	–615	5,262[1]	2,180	3.73	–1.05	–0.47	0.4	15.8[2]
290	Daimaru/retailing	5,759[1]	29[1]	2,857[1]	1,837	6.79	0.13E	0.14	0.5	7.2[2]
294	Toyo Trust & Banking Co/financial svcs	5,687[1]	302[1]	57,240[1]	10,403	13.24	0.20E	0.23	0.5	5.3[2]
295	■All Nippon Airways/airlines	5,686	81	8,574	14,401	9.98	0.06	0.08	0.4	15.7
296	Hokkaido Takushoku/banking	5,684	144	71,926[1]	6,666	7.16	0.13E	0.15	0.7	6.4[2]
297	Ishikawajima-Harima/machinery & eng	5,643[1]	99[1]	7,635[1]	6,941	5.35	0.09E	0.10	0.7	15.4[2]
301	Dainippon Ink & Chem/chemicals	5,622[1]	57[1]	5,522[1]	3,139	3.99	0.06E	0.06	1.1	22.3
304	Tonen Corp/energy	5,586	138	5,774	7,904	12.22	0.21	0.29	1.5	2.3[2]
307	Mitsubishi Materials Corp/metals nonfer	5,525[1]	106[1]	5,271[1]	5,828	5.35	0.25E	0.18	0.8	7.2[2]
308	Mitsubishi Oil Co/energy	5,524[1]	35[1]	4,630[1]	2,872	8.32	0.23E	0.24	0.5	2.3[2]
313	Toshoku Ltd/trading	5,419	19	5,921	1,213	10.27	0.17	0.17	0.4	0.6[2]
315	Hanwa Co Ltd/retailing	5,405[1]	154[1]	36,495[1]	7,006	18.52	0.42E	0.42	0.5	1.2[2]
316	Yasuda Fire & Marine Ins[2]/insurance	5,394[1]	116[1]	20,149[1]	6,158	6.94	0.13E	0.14	0.7	10.0
318	■Furukawa Electric/industrial comp	5,363[1]	53[1]	4,594[1]	3,855	5.88	0.14E	0.16	0.7	7.3[2]
324	■Nippon Yusen Kaisha Line/shipping	5,286[1]	74[1]	7,278[1]	5,222	4.55	0.05E	0.06	0.6	1.9[2]
325	■Bank of Yokohama Ltd[2]/banking	5,262[1]	143[1]	82,056[1]	10,358	9.11	0.14E	0.17	0.4	6.4
327	Tokyo Gas Co Ltd/utilities	5,230[1]	188[1]	7,271[1]	12,805	4.56	0.04E	0.06	0.8	12.7[2]
328	■Kirin Brewery Co Ltd/bev & tobacco	5,212	292	9,572	11,430	10.85	0.28	0.32	0.5	7.7[2]
329	Chori Co Ltd/trading	5,170[1]	14[1]	3,045[1]	602	6.98	0.17E	0.19	0.5	1.5[2]

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Japan

P/E 37 • Yield 1% • Market value $3,044 billion • Year to date price change 12%

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
334	**Nikko Securities Co Ltd**/financial svcs	5,080[1]	910[1]	21,237[1]	11,136	7.60	0.20E	0.22	1.3	10.5[2]
336	**Daikyo**[2]/real estate	4,997	123	9,211[1]	2,574	13.89	0.66	0.78	1.6	2.6
337	**Sekisui Chemical Ltd**/bldg materials	4,978[1]	211[1]	5,770[1]	4,662	8.68	0.44E	0.48	0.6	5.6[2]
341	**Toyo Seikan Kaisha**/misc materials	4,936[1]	216[1]	3,602[1]	5,472	27.13	1.46E	1.57	0.2	6.4[2]
343	**Yamaha Motor Co Ltd**/leisure goods	4,903	92	3,468[1]	1,480	6.43	0.40	0.22	0.7	9.9
345	**Takeda Chemical Ind**/personal care	4,894	315	6,061[1]	10,292	11.79	0.33E	0.36	0.7	15.1
350	■**Fujita Corp**/construction	4,831[1]	86[1]	7,716[1]	4,145	8.39	0.22E	0.26	0.8	5.6[2]
352	**Aisin Seiki Co Ltd**/industrial comp	4,803[1]	99[1]	2,845[1]	2,303	8.39	0.38E	0.35	1.0	10.4[2]
354	**Yamaichi Securities Co**/financial svcs	4,776[1]	763[1]	21,031[1]	9,175	7.60	0.20E	0.22	1.3	9.9[2]
356	■**Oji Paper Co Ltd**/forest products	4,741	122	4,747[1]	3,850	6.33	0.20	0.22	1.0	6.0[2]
357	■**Daiwa House Ind**/construction	4,705[1]	223[1]	6,122[1]	6,810	14.39	0.67E	0.76	1.0	8.5
359	■**Kao Corp**/food, household	4,686	142	3,644[1]	5,066	9.33	0.26	0.30	0.6	6.7[2]
360	**Oki Electric**/elec & electron	4,678	70	4,485[1]	3,157	5.19	0.12	0.15	1.0	14.4[2]
361	**Nippon Meat Packers**/food, household	4,677[1]	62[1]	2,724[1]	2,476	12.01	0.37E	0.40	0.7	17.5
362	■**Hino Motors**[2]/machinery & eng	4,651	89	2,593	2,552	7.13	0.25	0.20	0.8	8.2
369	■**Kanebo Ltd**/textile, apparel	4,594[1]	9[1]	4,121[1]	2,137	4.30	0.02E	0.03	0.8	10.7[2]
379	**Uny Co Ltd**/retailing	4,477[1]	64[1]	2,953[1]	2,025	10.71	0.43E	0.45	1.2	14.0
385	**Ube Industries Ltd**/misc materials	4,376[1]	148[1]	5,365[1]	3,523	4.23	0.07E	0.07	0.9	7.3[2]
387	**Showa Denko KK**/chemicals	4,354	59	6,051	3,896	3.75	0.06	0.05	1.2	5.3[2]
389	■**Teijin Ltd**/chemicals	4,339	185	5,714[1]	4,113	4.25	0.19	0.18	1.2	5.7[2]
395	●**Pioneer Electronic**/appliances	4,245	243	3,462	5,170	28.79	1.35	1.41	0.6	13.9
397	■**Ajinomoto Co**/food, household	4,204	86	5,188	7,362	11.36	0.13	0.18	0.6	10.9
399	**Osaka Gas Co Ltd**/utilities	4,187[1]	148[1]	5,992[1]	9,574	3.79	0.05E	0.06	1.0	10.8[2]
402	■**Marui**/retailing	4,174	239	5,888	5,730	15.62	0.65	0.71	1.0	10.0[2]
403	■**Sumitomo Metal Mining**/metals nonfer	4,166[1]	134[1]	3,652[1]	4,704	9.40	0.25E	0.26	0.5	3.8[2]
405	**Toyoda Automatic Loom**[2]/machinery & eng	4,131	130	2,719	5,703	20.25	0.46	0.46	0.5	7.9
406	**Hazama Corp**/construction	4,127	57	5,027	2,288	7.13	0.22	0.26	0.8	5.1[2]
407	**Toda Corp**[2]/construction	4,115[1]	85[1]	4,578[1]	1,720	6.60	0.39E	0.47	0.0	5.4
409	**Tokyu Construction**/construction	4,035E	46E	3,876[1]	1,456	7.45	0.24E	0.31	1.1	4.3[2]
410	**Nippon Light Metal**/metals nonfer	4,033[1]	85[1]	3,504[1]	3,641	7.09	0.50E	0.22	0.5	4.5[2]
416	**Haseko Corp**/construction	3,935	103	7,367[1]	2,904	6.77	0.24	0.28	1.1	2.9[2]
421	**Shinsho Corp**[2]/trading	3,891[1]	6[1]	1,834[1]	426	5.43	0.09E	0.10	0.7	1.0
424	■**Toyobo Co Ltd**/textile, apparel	3,876	50	3,573[1]	2,839	4.11	0.07	0.07	0.9	8.1[2]
425	**Matsuzakaya**/retailing	3,876	113	1,589[1]	3,910	25.17	0.73	0.34	0.2	7.1[2]
427	**Sato Kogyo Co Ltd**/construction	3,865E	36E	3,689[1]	2,648	10.13	NA	0.18	0.0	5.1[2]
428	**Jujo Paper Co Ltd**/forest products	3,858[1]	108[1]	4,158[1]	2,466	5.03	0.15E	0.16	1.0	4.5[2]
430	●**TDK**/electronic comp	3,822	202	4,591	5,261	40.65	1.56	1.73	0.8	25.2
431	**Nagase & Co Ltd**/trading	3,820[1]	51[1]	2,070[1]	1,270	8.39	0.38E	0.41	0.8	1.3[2]
435	**Sumitomo Rubber Inds**/industrial comp	3,771	9	3,750	968	5.79	0.05	0.02	1.1	21.0
448	■**Shiseido**/personal care	3,661	112	3,734[1]	4,257	13.67	0.40	0.47	0.6	19.1
451	**Sumitomo Forestry Co Ltd**/construction	3,617[1]	62[1]	1,974[1]	1,853	12.66	0.47E	0.54	0.9	2.8[2]
453	**Nichirei**/food, household	3,609	20	1,793[1]	1,984	6.42	0.07	0.11	0.7	2.7[2]
455	**Asahi Breweries Ltd**/bev & tobacco	3,604	21	13,586	4,256	10.27	0.05	0.14	0.4	6.9
456	**Yamaha Corp**/leisure goods	3,604	54	3,009[1]	2,465	12.73	0.28	0.25	0.6	12.4[2]
461	**Okura & Co Ltd**/trading	3,564[1]	4[1]	1,478[1]	563	6.55	0.12E	0.12	1.4	0.8[2]
462	■**Nippon Suisan Kaisha**/food, household	3,557[1]	7[1]	1,963[1]	1,206	4.07	–0.07E	–0.04	0.0	3.3[2]
465	■**Konica**/leisure goods	3,510	7	3,450	2,765	7.74	0.06E	0.07	0.9	5.0[2]
466	**Mitsui Toatsu Chems**/chemicals	3,501[1]	113[1]	4,580[1]	2,984	3.82	0.12E	0.12	1.1	5.5[2]

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Japan

P/E 37 • Yield 1% • Market value $3,044 billion • Year to date price change 12%

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
474	Isetan/retailing	3,394[1]	59[1]	2,456[1]	4,679	21.27	0.30E	0.32	0.3	5.7[2]
475	Hokkaido Electric[2]/utilities	3,387	97	8,569[1]	4,073	18.88	0.45	0.53	1.9	6.6
476	Iwatani Intl Corp/utilities	3,382[1]	22[1]	2,280[1]	1,765	7.31	0.11E	0.12	0.5	1.7[2]
478	Mitsui OSK Lines Ltd/shipping	3,368[1]	97[1]	5,225[1]	4,705	4.49	0.04E	0.05	0.7	1.7[2]
480	Nissan Shatai Co Ltd[2]/automobiles	3,352[1]	19[1]	1,202[1]	831	5.29	0.14E	0.11	1.2	5.6
481	•Nintendo Co Ltd/leisure goods	3,337	487	2,180[1]	14,551	102.71	3.44	3.95	0.3	0.7[2]
482	Sanyo-Kokusaku Pulp/forest products	3,312[1]	77[1]	3,214[1]	2,109	4.69	0.08E	0.08	1.2	7.7
483	General Sekiyu Group/energy	3,305[1]	81[1]	2,076[1]	1,703	8.39	0.33E	0.30	3.0	1.6[2]
485	Sumitomo Heavy Inds/machinery & eng	3,291	43	4,513	3,236	5.50	0.07	0.08	0.5	11.3
486	■Alps Electric/electronic comp	3,272	58	2,706[1]	2,060	11.50	0.03	0.30	0.9	14.6
487	■Mitsui Marine & Fire Ins[3]/insurance	3,267[1]	257[1]	23,322[1]	5,298	7.31	0.16E	0.17	0.7	7.1[2]
488	•Kyocera[3]/electronic comp	3,265	228	4,142[1]	8,606	46.44	1.23	1.51	0.7	12.8[2]
490	Nagasakiya/retailing	3,250[1]	32[1]	2,737[1]	2,465	16.85	0.12E	0.14	0.5	4.8[2]
492	■Nisshin Steel/metals-steel	3,214[1]	235[1]	5,990[1]	5,632	5.54	0.18E	0.18	0.9	7.1[2]
493	Tokyu Dept Store/retailing	3,213[1]	42[1]	2,285[1]	2,604	13.17	0.13E	0.20	0.6	4.6[2]
494	Itoham Foods/food, household	3,209	55	1,398[1]	1,555	6.82	0.24	0.20	1.1	4.4[2]
497	■Yamazaki Baking/food, household	3,193	71	2,110	2,820	12.80	0.32	0.37	0.6	14.7[2]
499	Kawasaki Kisen Kaisha Ltd/shipping	3,183[1]	19[1]	2,933[1]	2,435	4.16	0.03E	0.02	0.0	1.2[2]

Netherlands

P/E 18 • Yield 4% • Market value $119 billion • Year to date price change 21%

The Amsterdam bourse was not helped when well-known companies such as DAF and Nedlloyd reported disappointing earnings, nor when Philips Group racked up over $2 billion in losses. After a record 4.3% rise in GDP in 1989, the Netherlands' growth slowed to 3.5% last year, in part because of rising interest rates and decreased domestic and foreign demand. In U.S. dollars, the Morgan Stanley stock index for the Netherlands is up only 1% for the 12 months ending in May. But these setbacks have, apparently, attracted bargain hunters: American investors traded over $7.9 billion in Dutch stocks in 1990. Issues such as Aegon Insurance, Hoogovens Groep and NV DSM currently yield over 4%, while selling at less than 7 times 1990 earnings.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
6	•Royal Dutch/Shell/energy	105,255	6,458	106,368	72,332[4]	81.39	7.69	6.88	4.9	137.0
21	•Unilever/food, household	39,604	1,980	24,737	23,876[5]	83.78	5.82	6.90	3.2	301.0
35	•Philips Group[3]/appliances	30,624	–2,616	30,530	4,783	16.09	–8.40	0.86	0.0	287.6
109	Nationale-Nederlanden/insurance	12,331	497	56,920	6,131	26.59	3.75	NA	5.9	25.7
154	•Akzo Group/chemicals	9,471	364	8,095	2,577	58.01	8.20	7.59	5.7	70.5
160	•Ahold/retailing	9,292	134	2,529	2,010	41.66	2.77	2.88	2.0	53.4
206	Fortis Group/insurance	7,998	499	38,347	3,441[6]	28.88	4.36	3.49	5.0	20.0
254	•Aegon Insurance/insurance	6,616	411	35,778	2,603	61.78	9.76	8.03	5.9	10.4
305	NV DSM/chemicals	5,582	446	5,964	2,014	57.35	12.70	9.76	7.1	24.9
311	ABN-Amro Holding NV/banking	5,511	728	232,694	5,015	19.66	2.77	2.75	7.5	59.6
322	Schlumberger Ltd/energy	5,306	570	6,176	14,883	62.50	2.40	2.90	1.9	50.0
374	■Hoogovens Groep/metals-steel	4,489	163	5,500	696	31.22	7.34	2.37	7.2	27.4
420	■Heineken NV/bev & tobacco–	3,895	201	4,428	2,638	82.15	6.26	6.44	2.2	25.0
443	KLM/airlines	3,691	–199	6,406[1]	740	14.01	1.66	–1.65	6.6	27.1
444	■Royal Nedlloyd Group/shipping	3,677	–77	3,367	531	27.66	–4.24	–1.21	0.0	26.2

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Spain

P/E 12 • Yield 4% • Market value $123 billion • Year to date price change 30%

Spain's stock market, recently the darling of international investors, was hit hard by the Persian Gulf war. Juan Echanojauregui, director of capital markets at Banco Popular Espanol, explains that relatively small markets (Spain's total market capitalization is only $123 billion) are supersensitive to external events like wars. But since the end of the war, Spain has made a nice recovery. Echanojauregui thinks that stock prices could rise another 10% to 15% by the end of the year, thanks to speculation about interest rate cuts and improving corporate earnings. Two of Spain's largest banks—Banco Central and Banco Hispano Americano—and two large Spanish utilities have merger agreements that are expected to be consummated by summer's end.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
77	•Banco Central Group/banking	16,206	411	49,872	4,440	41.26	3.85E	3.86	4.5	23.4
83	•Repsol SA/energy	15,422	665	8,917[1]	7,344	24.48	2.22	2.30	3.6	19.2
133	•Banco Bilbao-Vizcaya/banking	10,633	994	87,015	7,368	31.90	4.10	4.27	4.6	30.4
196	•Telefonica[3]/telecomm	8,166	1,619	31,019	8,724	9.41	1.75	0.81	5.4	75.4
256	•Banco Santander/banking	6,499	551	55,169	5,784	52.11	4.98	5.36	3.8	18.8
274	Banesto/banking	6,095	372	51,650	3,754	38.02	3.77	3.74	4.9	20.5
293	Tabacalera/bev & tobacco	5,700	NA	1,534[1]	1,704	46.27	3.25E	3.51	2.5	8.5
332	Banco Hispano Amer/banking	5,157	320	41,237	2,907	31.80	3.50	3.60	5.8	16.9
366	Endesa/utilities	4,638[1]	604[1]	12,459[1]	5,569	21.42	2.59	3.17	4.7	15.8
392	Fasa-Renault/automobiles	4,278	10	43,673	458	20.12	0.62E	1.18	4.6	15.0
404	Cepsa/energy	4,137	71	3,285	1,923	21.56	1.54E	1.35	3.4	7.1
491	Hidroelectrica Espanola/utilities	3,247	186	13,553[1]	2,233	5.34	0.45	0.44	7.6	6.7
496	Banco Exterior de Espana/banking	3,201	136	26,368	2,052	33.52	2.14	2.50	3.9	11.4

Sweden

P/E 17 • Yield 3% • Market value $112 billion • Year to date price change 33%

The recession in the Swedish economy became increasingly apparent during 1990. The country is experiencing high interest rates, high costs and growing inflation, while productivity growth is low. Real gross domestic product grew only 0.7% in 1990; the Consumer Price Index climbed 11%. Sales at Saab-Scania (in whose automotive division General Motors now has a large stake) fell almost 30% last year, while Volvo Group (which teamed up with Renault) had a net loss of $3.9 million. Meanwhile, net profit at Sweden's largest bank, Skandinaviska Enskilda Banken, fell 22%, to $280 million. Sweden is applying for full membership in the EC, and as of May 17 the Swedish krona became linked to the ECU (European Currency Unit).

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
93	•Volvo Group[3]/automobiles	14,054	–4	18,445	4,237	55.22	–2.21	2.03	4.5	72.2
96	•Electrolux Group[3]/appliances	13,928	139	11,943	3,036	41.78	1.89	2.03	4.8	150.9
136	Stora Group/forest products	10,537	450	14,803	3,484	58.42	4.11E	3.46	3.6	69.7
180	Skand Enskilda Bank/banking	8,643	280	79,560	2,994	11.37	1.06	1.54	4.6	10.7
189	■Svenska Handelsbanken/banking	8,328	336	64,172	3,076	20.17	3.43E	3.30	3.6	7.8
213	Nordbanken Group/banking	7,839	–36	72,118	1,637	9.52	–0.21	1.33	0.0	6.8
215	•LM Ericsson[3]/elec & electron	7,722	571	7,979	6,454	31.37	2.78	2.40	1.8	66.1
266	Skanska AB/construction	6,288	NA	8,835	3,739	60.18	4.22E	3.67	1.7	31.7
270	Procordia Group/multi-industry	6,178	464	5,817	7,784	31.37	1.83	1.91	1.5	45.2
326	SCA-Svenska Cellulosa/forest products	5,258	254	8,499	2,951	17.45	1.35E	1.18	2.9	30.1
342	Saab-Scania Group/machinery & eng	4,906	255	7,572	3,141	46.26	4.73	3.71	2.7	29.4
358	•SKF Group[3]/industrial comp	4,691	116	5,566	1,876	16.81	1.02	0.74	4.1	49.3
381	Nobel Industries/aero & defense	4,460	84	6,169	895	9.92	0.94	0.72	3.6	26.7
394	Trelleborg/industrial comp	4,260	289	4,711	1,348	22.09	4.43E	2.85	4.7	21.9
418	NCC Group/construction	3,913	76	4,663	621	14.41	1.76	1.35	3.3	23.2

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Switzerland

P/E 17 • Yield 2% • Market value $192 billion • Year to date price change 28%

Since it peaked in August 1989, the Morgan Stanley index of Swiss stocks has dropped 8% in Swiss francs but has gained 5% in U.S. dollars. Since Switzerland is a small and open economy, it is heavily dependent on the performance of its major trading partners. Of late, it has been hurt by sluggish world growth and a long period of high (by Swiss standards) interest rates at home. Unemployment rose to 1.1% of the work force in April, double the usual level; the cost of living rose at a 6.3% annual rate in May. In 1990 the gross domestic product grew at a 2.6% rate. Now the Union Bank of Switzerland estimates growth will be only 1.2% in 1991. Analyst Rolf Ehlers, of Credit Suisse, Zurich, thinks it is unlikely the Swiss economy will rebound this year.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
27	■Nestle/food, household	33,379	1,636	27,461	21,863	6,019.55	444.15	456.08	2.2	199.0
42	Asea Brown Boveri[3]/elec & electron	26,704	280	31,406	11,295[4]	3,134.48	190.04	27.50	1.7	215.2
90	•Ciba-Geigy Group/chemicals	14,183	744	20,185	9,831	1,988.54	133.89	136.97	2.0	94.1
98	Zurich Insurance/insurance	13,586	278	43,752	5,596	3,269.30	145.41E	254.80	1.4	34.0
100	Union Bank of Switz/banking	13,150	646	180,612	11,585	2,534.55	139.65	202.29	3.6	27.5
108	Swiss Bank Corp/banking	12,456	591	148,926	7,442	230.54	16.79	21.30	4.1	21.6
145	Winterthur Group/insurance	9,972	170	33,018	3,635	2,763.73	107.98	204.45	1.7	19.0
155	CS Holding/banking	9,437	388	115,535	5,587	1,361.65	33.11	153.02	3.7	18.0
167	Swiss Re Group/insurance	9,041[1]	169[1]	26,673[1]	4,033	2,035.73	79.10E	97.00	1.5	21.4
175	Sandoz Group/personal care	8,903	696	9,896	11,710	1,698.69	97.90	104.08	1.2	52.6
239	Roche Group/personal care	6,961	682	17,613	15,138	5,257.84	164.85	182.54	0.5	52.7
264	Danzas AG/services	6,335[5]	10[2]	1,000[2]	491	923.49	15.41	NA	0.7	15.4
367	Richemont AG/bev & tobacco	4,627[1]	237[1]	6,663[1]	8,267	808.90	385.87	479.54	9.0	25.0
372	Alusuisse-Lonza/metals nonfer	4,560	192	4,611	1,635	785.31	89.26	83.32	3.0	25.5
377	Sulzer Group/machinery & eng	4,483	101	4,996[1]	932	276.37	33.34	NA	3.7	33.9
433	Holderbank/bldg materials	3,777	135	7,280	1,479	3,329.96	291.54	314.86	2.5	29.6
436	Swissair Group/airlines	3,763	–16	6,068	949	495.45	–7.42	12.74	0.0	19.9
442	Baloise Holding/insurance	3,702	54	15,299[1]	1,308	1,476.24	64.07	183.62	1.2	8.7

United Kingdom

P/E 14 • Yield 5% • Market value $891 billion • Year to date price change 17%

With 2,559 listed issues at the end of 1990, London's International Stock Exchange is second only to Nasdaq in the number of listings. By market value, London trails Japan and the U.S. The British market was one month ahead (May 4) of the U.S. in hitting a new high. The economic outlook is similar to the U.S.', in that a strong recovery could soon follow the current recession. Despite an easing of monetary policy, inflation in the U.K. dropped to a 6.4% annual rate in April, versus 8.2% in March. But political pressures might force the government to tighten credit again. Since January the pound sterling has performed well within the European exchange rate mechanism of the European Monetary System—it is up 2.3% against the deutsche mark.

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
9	•British Petroleum Co/energy	58,966	2,991	59,184	30,377	5.65	0.56	0.32	6.5	118.1
32	•Barclays Plc/banking	31,234	698	260,063	11,975	7.54	0.44	0.51	6.4	116.8
38	•National Westminster Bank[3]/banking	29,218	541	232,281	8,734	5.40	0.34	0.29	7.3	112.6
49	•British Telecom[3]/telecomm	24,307	3,372	33,997	39,730	6.47	0.54	0.61	4.9	237.4
53	•Imperial Chemical Inds/chemicals	23,034	1,101	20,821	15,554	21.97	1.57	1.24	5.7	132.1
65	British Aerospace/aero & defense	18,811	464	17,913	2,611	10.09	1.65	1.58	5.6	127.9
70	Lloyds Bank Group/banking	17,560	521	106,430	7,371	5.93	0.43	0.37	5.9	76.3

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United Kingdom

P/E 14 • Yield 5% • Market value $891 billion • Year to date price change 17%

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
72	•British Gas Plc/utilities	17,538	2,500	24,085[1]	18,350	4.30	0.59	0.53	6.6	81.8
78	Midland Group/banking	16,136	–344	114,979	2,864	3.65	–0.44	0.15	5.6	60.6
82	•Prudential Corp Plc/insurance	15,571	198	70,463	7,396	3.97	0.11	0.22	5.9	40.0
85	■B. A. T Industries Plc/bev & tobacco	15,284	634	48,140	17,646	11.97	0.43	0.88	6.0	110.8
86	■J Sainsbury Plc/retailing	15,154	656	5,510[1]	9,965	6.30	0.43	0.44	2.6	65.3
97	•Grand Metropolitan/multi-industry	13,760	1,074	17,648	13,031	13.14	1.09	1.10	3.7	131.3
112	•BTR Plc/multi-industry	12,033	987	11,161	11,411	6.55	0.57	0.51	5.4	105.6
118	■Tesco Plc/retailing	11,618	554	7,049	9,311	4.82	0.34	0.34	2.5	59.8
131	•Marks & Spencer Plc/retailing	10,662	737	5,673[1]	11,445	4.23	0.28	0.27	3.6	50.1
146	Royal Insurance/insurance	9,959	–312	30,677	3,620	7.44	–0.65	–0.22	8.4	29.0
165	•British Airways Plc[3]/airlines	9,123	253	7,329	2,108	2.92	0.35	0.17	6.9	54.4
172	•Peninsular & Oriental/shipping	8,989	330	9,302	4,002	9.63	0.76	0.68	7.2	75.0
173	•Hanson Plc/multi-industry	8,987	1,646	27,642	17,907	3.74	0.34	0.34	5.5	80.0
177	Argyll Group Plc/retailing	8,796	386	2,829[1]	5,534	5.03	0.40	0.41	3.9	65.0
185	■General Electric/elec & electron	8,496[1]	878[1]	9,776[1]	8,934	3.31	0.29E	0.34	6.8	107.4
192	•British Steel Corp/metals-steel	8,268[1]	912[1]	10,092[1]	4,314	2.16	0.18E	0.10	8.9	54.4
203	•Allied-Lyons Plc/bev & tobacco	8,064	533	11,659	7,965	9.25	0.70E	0.85	4.3	83.2
205	•SmithKline Beecham[3]/personal care	8,033	900	14,211	16,962	13.67	0.68	4.08	12.4	57.3
219	Dalgety Plc/food, household	7,547	133	2,061	1,466	6.54	0.59	0.61	6.3	22.7
221	•Hillsdown Holdings/food, household	7,523	244	4,092	2,137	4.02	0.46	0.44	4.5	47.5
224	Sun Alliance Group/insurance	7,428	–190	27,217	4,936	6.15	–0.24	–0.05	5.2	19.9[2]
226	•Saatchi & Saatchi[3]/services	7,378	–122	3,169	459	0.31	–0.21	–0.03	0.0	14.7
230	Legal & General/insurance	7,179	90	31,551	3,500	7.25	0.22	0.26	5.6	8.5
240	Genl Accident Fire/insurance	6,941	–166	17,755	3,984	9.20	–0.39	–0.20	6.6	15.4[2]
241	•RTZ Corporation Plc/metals nonfer	6,902	905	11,373	8,752	8.86	0.92	0.75	5.0	50.0
247	■Ladbroke Group Plc/leisure	6,783	409	9,047	3,797	4.42	0.48	0.41	5.5	52.0
248	•Thorn Emi Plc/appliances	6,763	NA	4,367[1]	3,728	12.02	1.00E	0.97	5.8	60.2
250	Commercial Union Assurance/insurance	6,725	2	30,346	3,624	8.37	0.01	–0.03	6.2	21.6
252	•Royal Bk of Scotland[3]/banking	6,648	309	57,386	2,428	3.14	0.39	0.26	6.1	25.8
255	•Rolls-Royce Plc/aero & defense	6,550	239	5,489	2,545	2.65	0.25	0.24	6.2	65.9
259	•Tarmac Plc/bldg materials	6,437	220	6,066	2,896	3.82	0.30	0.22	6.7	34.9
260	•Bass Plc[3]/bev & tobacco	6,379	893	9,315	7,183	16.83	2.54	1.56	4.5	98.3
263	BICC Group/industrial comp	6,345	196	3,891	2,052	7.44	0.72	0.61	5.9	44.4
275	Guardian Royal Exch/insurance	6,087	–264	20,900	2,957	3.43	–0.31	–0.10	7.9	15.2
284	Inchcape Plc/trading	5,874	171	3,124	2,106	5.62	0.47	0.48	4.7	49.7
288	■Assoc British Foods/food, household	5,775	388	4,084[1]	4,032	9.00	0.87	0.82	3.1	52.3
291	■Tate & Lyle Group/food, household	5,727	223	3,403	1,950	6.03	0.61	0.54	3.9	15.3
292	Asda Group Plc/retailing	5,722	198	4,432	2,311	1.97	0.16E	0.20	5.5	38.8
298	•Kingfisher Plc/retailing	5,636	342	3,911	3,716	8.18	0.76	0.56	3.4	36.6
302	•Cadbury Schweppes/food, household	5,615	320	4,555	4,304	6.11	0.45	0.46	4.3	35.7
312	■Boots Co Plc/retailing	5,467[1]	396[1]	4,010[1]	6,256	6.35	0.39E	0.44	4.0	78.6
320	■Lonrho Group/multi-industry	5,332	253	6,979	2,626	4.06	0.40	0.39	8.8	108.8
330	•Trafalgar House Plc/multi-industry	5,162	187	4,694	2,029	4.02	0.37	0.27	10.3	27.0
331	•Booker Plc/multi-industry	5,158	134	2,127	1,689	8.03	0.75	0.71	6.0	21.6
333	•BET Plc/multi-industry	5,157	290	3,537[1]	2,261	3.04	0.33E	0.29	9.9	137.1
344	Pilkington Plc/misc materials	4,896	29	5,141	2,155	2.80	0.16	0.14	8.5	56.1
351	Standard Chartered/banking	4,817	54	42,687	1,399	5.98	0.23	0.63	7.6	28.0
353	•Cable & Wireless[3]/telecomm	4,792	554	8,056	9,245	8.64	0.51	0.61	2.8	37.7

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United Kingdom

P/E 14 • Yield 5% • Market value $891 billion • Year to date price change 17%

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
355	Trusthouse Forte Plc/leisure	4,776	268	9,047	3,585	4.55	0.34	0.29	4.9	92.9
363	•Glaxo Holdings Plc/personal care	4,648	1,291	7,603	29,793	19.92	0.87	0.97	2.7	31.3
365	Arjo Wiggins Appleton/forest products	4,638	310	4,030	3,331	4.13	0.38	0.37	4.6	19.0
368	RMC Group Plc/bldg materials	4,621	195	3,446	2,169	10.66	1.00	0.78	4.1	25.1
375	•Guinness Plc/bev & tobacco	4,485	966	12,696	14,610	16.22	1.14	1.16	2.6	18.6
378	▪BOC Group Plc/chemicals	4,481	410	5,284	4,322	9.20	0.88	0.78	4.9	39.5
386	▪Great Universal Stores/retailing	4,355[1]	441[1]	6,027[1]	5,195	20.89	1.81E	2.02	3.7	30.7
391	United Biscuits/food, household	4,291	233	2,935	2,795	6.11	0.53	0.49	5.3	39.1
401	▪De Beers Centenary/misc materials	4,175	1,305	11,050	8,853	23.30	3.43	NA	4.3	25.0
413	AMEC/construction	3,959	75	2,052	748	3.74	0.33	0.31	6.1	30.4
415	▪Unigate Group/food, household	3,945[1]	117[1]	1,565[1]	1,092	4.70	0.36E	0.44	7.4	31.3
419	▪Sears Plc/retailing	3,906	207	3,764[1]	2,110	1.41	0.14	0.09	8.6	52.3
422	▪Hawker Siddeley/machinery & eng	3,887	145	3,562	1,886	9.53	0.73	0.73	5.9	43.5
429	•Racal Electronics/aero & defense	3,852	201	3,238[1]	5,067	3.89	0.16	0.20	2.1	37.4
434	▪Whitbread Plc/bev & tobacco	3,771	384	5,713[1]	3,844	8.68	0.87	0.82	4.3	62.6
438	•Beazer Plc/construction	3,755	104	5,599	835	2.94	0.37	0.20	6.0	22.3
447	Lucas Industries Plc/industrial comp	3,664	239	3,604	1,829	2.65	0.35	0.20	6.0	57.4
450	▪GKN Plc/machinery & eng	3,641	166	3,242	1,514	5.86	0.64	0.39	7.9	33.9
464	▪Courtaulds Plc/chemicals	3,532	267	2,365	2,735	6.86	0.55	0.61	3.8	24.0
471	Smith (WH) Group Plc/retailing	3,443	99	1,592	1,336	6.74	0.44E	0.51	3.9	35.1
473	George Wimpey Plc/construction	3,400	43	3,017	1,008	3.50	0.15	0.14	6.8	16.3
484	Berisford Intl/trading	3,304	–152	2,724	316	0.65	–0.31	–0.02	0.0	6.5
489	•Coats Viyella Plc/textile,apparel	3,262	90	3,131	1,303	2.48	0.17	0.20	8.2	58.4
495	Lex Service Plc/services	3,203	8	1,175	287	3.07	0.09	0.19	11.3	8.0
498	Harrisons & Crosfield/misc materials	3,186	134	2,056	1,633	2.38	0.21	0.19	8.6	29.2
500	Reckitt & Colman Plc/food, household	3,148	271	3,106	3,845	25.79	1.82	1.87	3.0	23.8

European

Austria

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
289	OMV AG/energy	5,761	NA	4,061[1]	1,541	77.06	3.42	6.54	2.0	12.6
348	Creditanstalt/banking	4,856	55	53,389	2,906	379.59	6.68	18.20	1.6	11.5

Finland

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
207	Kesko Group/trading	7,986	68	3,830	871	9.66	0.76	0.82	3.5	8.1
277	Repola Ltd[3]/multi-industry	6,049	110	9,731	2,149	15.45	0.82	0.19	2.0	34.0
287	•Oy Nokia/multi-industry	5,788	90	5,970	1,374	23.18	1.43	1.38	2.9	37.3
382	Union Bank of Finland Ltd/banking	4,447	38	37,920	1,486	6.76	0.12	0.24	2.9	9.7
463	Kymmene Corp/forest products	3,547	67	7,042	1,403	18.59	0.82	NA	2.3	16.1

Norway

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
149	•Norsk Hydro[3]/energy	9,740	463	13,579	6,196	30.17	2.25	2.04	2.1	33.0

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Far East

Hong Kong

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
278	■Jardine Matheson/multi-industry	6,035	230	6,592	2,735	4.17	0.36	3.79	3.4	27.0
411	■Swire Pacific Ltd/multi-industry	3,998	314	8,339	3,815	2.40	0.20	0.23	4.3	30.0

Korea

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
171	Hyundai Corp/trading	8,991	9	310	130	27.06	1.93	2.06	2.6	0.9
199	Ssangyong Group/multi-industry	8,100	86	11,970	2,690	24.02	0.78	3.18	4.3	22.8
237	Hyundai Motor Co/automobiles	7,075	101	6,976	1,560	27.89	1.88	1.92	3.0	41.7
339	Bank of Seoul/banking	4,958	75	57,325	1,884	14.50	0.60	0.04	0.0	10.1
370	Hyundai Eng & Const/construction	4,591	75	5,383	1,138	27.20	1.79	0.56	0.5	60.5
396	Gold Star Co Ltd/electronic comp	4,216	48	3,650	1,561	23.61	0.74	0.91	1.8	32.5

New Zealand

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
231	●Fletcher Challenge/forest products	7,164	428	10,338	2,965	2.24	0.38	0.26	7.0	40.0
346	■Brierley Investments/multi-industry	4,869	236	5,711	1,540	0.69	0.12	0.09	9.2	41.0

South America

Brazil[4]

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
73	Banco do Brasil/banking	17,403	273	69,019	935	302.26	93.88	NA	4.9	121.0
198	Banespa Group/banking	8,107	149	12,682	118	6.91	3.97	NA	11.7	37.8
204	Banco Bradesco Group/banking	8,046	154	11,846	1,038	23.64	6.19	NA	4.4	113.4
280	Petrobras/energy	5,990	491	12,148	2,404	1,892.51	487.41	NA	4.5	55.6
285	Banco Itau Group/banking	5,848	128	8,767	896	145.46	20.21	NA	1.9	60.9
314	Bamerindus Group/banking	5,418	42	6,534	335	27.42	3.94	NA	2.6	45.7

Africa

South Africa

1990 Rank	Company/business	Revenue ($mil)	Net income ($mil)	Assets ($mil)	Market value ($)	Stock price ($)	EPS 1990 ($)	EPS 1991E ($)	Yield (%)	Employees (thou)
134	■Barlow Rand Group/multi-industry	10,613	329	7,063	2,644	14.20	1.78	1.46	4.3	158.4
309	■So African Breweries/bev & tobacco	5,519	274	3,594	4,783	17.84	1.02	0.08	2.3	91.0

● Sponsored ADR. ■ Non-sponsored ADR. All figures except per-share items are in millions of U.S. dollars. General note: Revenue, net income and 1990 EPS are converted at an average rate of exchange for the fiscal year; assets are converted at fiscal year-end rate. Revenue figures are for group or consolidated operations and exclude excise taxes and duties. For companies with January, February or March fiscal year-ends, 1990 figures are used unless noted. Market value is as of May 31, 1991. [4]Revenue, net income, assets and 1990 EPS are converted at Dec. 31, 1990 rate. Stock price and EPS are per 1,000 shares. E: Estimate. NA: Not available. *Sources: Morgan Stanley Capital International Perspective; FORBES. Earnings estimates provided by the International Edition of Institutional Brokers Estimate System (IBES).*

WHERE TO FIND THE FORBES FOREIGN 500

Company/country	Rank	Page
ABN-Amro Holding NV/Netherlands	311	258
Accor SA/France	398	246
ACEC-Union Miniere/Belgium	454	242
Aegon Insurance Group/Netherlands	254	258
AGF-Assur Generales de France/France	148	244
Ahold/Netherlands	160	258
Air Canada/Canada	477	244
Aisin Seiki Co Ltd/Japan	352	256
Ajinomoto Co/Japan	397	256
Akzo/Netherlands	154	258
Alcan Aluminium Ltd/Canada	179	242
Alcatel Alsthom/France	44	244
Alitalia Group/Italy	371	250
All Nippon Airways/Japan	295	254
Allianz AG Holding/Germany	66	248
Allied-Lyons Plc/UK	203	264
Alps Electric Co Ltd/Japan	486	258
Alusuisse-Lonza Holding/Switzerland	372	262
Amcor Ltd/Australia	479	240
AMEC Plc/UK	413	266
Arbed SA/Belgium	267	242
Argyll Group Plc/UK	177	264
Arjo Wiggins Appleton/UK	365	266
Asahi Breweries Ltd/Japan	455	256
Asahi Chemical Industry/Japan	162	252
Asahi Glass Co Ltd/Japan	182	252
ASDA Group Plc/UK	292	264
Asea Brown Boveri Group/Switzerland	42	262
ASKO Group/Germany	338	248
Associated British Foods/UK	288	264
Australia & New Zealand Banking/Australia	157	240
B. A. T Industries/UK	85	264
Baloise Group/Switzerland	442	262
Bamerindus Group/Brazil	314	268
Banca Commerciale Italiana/Italy	166	248
Banco Bilbao Vizcaya/Spain	133	260
Banco Bradesco Group/Brazil	204	268
Banco Central Group/Spain	77	260
Banco di Roma/Italy	299	250
Banco do Brasil/Brazil	73	268
Banco Exterior de Espana/Spain	496	260
Banco Hispano Americano/Spain	332	260
Banco Itau SA/Brazil	285	268
Banco Santander Group/Spain	256	260
Banespa Group/Brazil	198	268
Banesto/Spain	274	260
Bank Bruxelles Lambert/Belgium	244	242
Bank of Montreal/Canada	164	242
Bank of Nova Scotia/Canada	208	242
Bank of Seoul/Korea	339	268

Company/country	Rank	Page
Bank of Tokyo Ltd/Japan	60	252
Bank of Yokohama Ltd/Japan	325	254
Banque Nationale de Paris/France	40	244
Barclays Plc/UK	32	262
Barlow Rand Group/South Africa	134	268
BASF Group/Germany	39	246
Bass Plc/UK	260	264
Bayer Group Worldwide/Germany	46	246
Bayerische Hypotheken/Germany	202	248
Bayerische Vereinsbank/Germany	147	248
BayWa AG/Germany	467	248
BCE Inc/Canada	81	242
Beazer Plc/UK	438	266
Berisford International/UK	484	266
BET Plc/UK	333	264
BICC Group/UK	263	264
BMW-Bayerische Motoren Werke/Germany	75	248
BOC Group Plc/UK	378	266
Bond Corp Holdings/Australia	373	240
Booker Plc/UK	331	264
Boots Co Plc/UK	312	264
Bouygues/France	138	244
Bridgestone Corporation/Japan	110	252
Brierley Investments/New Zealand	346	268
British Aerospace/UK	65	262
British Airways/UK	165	264
British Gas Plc/UK	72	264
British Petroleum Co/UK	9	262
British Steel Plc/UK	192	264
British Telecommunications/UK	49	262
Broken Hill Proprietary/Australia	140	240
BSN-Groupe/France	152	244
BTR Plc/UK	112	264
Groupe Bull/France	262	244
Cable and Wireless/UK	353	264
Cadbury Schweppes/UK	302	264
Canadian Imperial Bank of Commerce/Canada	123	242
Canadian Pacific Ltd/Canada	170	242
Canon/Japan	114	252
Carrefour/France	95	244
Casino Groupe/France	193	244
Cepsa-Cia Espanola de Petroleos/Spain	404	260
Chori Co Ltd/Japan	329	254
Chubu Electric Power/Japan	103	252
Chugoku Electric Power/Japan	261	254
Ciba-Geigy Group/Switzerland	90	262
CMB Packaging/France	376	246
Coats Viyella Plc/UK	489	266
Cockerill Sambre SA/Belgium	276	242
Coles Myer Ltd/Australia	121	240

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Company/country	Rank	Page
Commercial Union Assurance/UK	250	264
Commerzbank/Germany	122	248
Comptoirs Modernes SA/France	446	246
Continental Group/Germany	323	248
Cosmo Oil Co Ltd/Japan	129	252
Courtaulds Plc/UK	464	266
CRA Ltd/Australia	457	240
Credit Commercial de France/France	238	244
Credit Foncier de France/France	272	246
Credit Lyonnais Group/France	20	244
Creditanstalt-Bankverein/Austria	348	266
Credito Italiano SpA/Italy	251	250
CS Holding/Switzerland	155	262
CSR Limited/Australia	459	240
Dai Nippon Printing/Japan	190	254
Dai-Ichi Kangyo Bank/Japan	25	250
Daiei Inc/Japan	79	252
Daihatsu Motor Co/Japan	271	254
Daikyo/Japan	336	256
Daimaru/Japan	290	254
Daimler-Benz Group/Germany	11	246
Dainippon Ink & Chemicals/Japan	301	254
Daiwa Bank Ltd/Japan	143	252
Daiwa House Industry/Japan	357	256
Daiwa Securities Co/Japan	242	254
Dalgety Plc/UK	219	264
Danzas AG/Switzerland	264	262
Dassault Aviation SA/France	468	246
De Beers Centenary/UK	401	266
Degussa AG/Germany	194	248
Delhaize "Le Lion" Group/Belgium	240	242
Deutsche Babcock Group/Germany	472	248
Deutsche Bank Group/Germany	52	246
Deutsche Lufthansa/Germany	174	248
Docks de France/France	349	246
Dresdner Bank/Germany	92	248
NV DSM/Netherlands	305	258
Electrabel SA/Belgium	300	242
Electrolux Group/Sweden	96	260
Elf Aquitaine Group/France	29	244
Endesa/Spain	366	260
LM Ericsson Telefonaktiebolaget/Sweden	215	260
Euromarche SA/France	364	246
Fasa-Renault/Spain	392	260
Ferruzzi/Montedison Group/Italy	94	248
Fiat Group/Italy	13	248
Fletcher Challenge/New Zealand	231	268
Fortis Group/Netherlands	206	258
Foster's Brewing Group/Australia	211	240
Fuji Bank Ltd/Japan	33	250
Fuji Electric Co Ltd/Japan	283	254
Fuji Heavy Industries/Japan	286	254
Fuji Photo Film/Japan	228	254
Fujita Corp/Japan	350	256
Fujitsu Ltd/Japan	58	252
Furukawa Electric/Japan	318	254
GAN-Groupe des Assur Nationales/France	71	244
General Accident, Fire & Life/UK	240	264
General Electric Company/UK	185	264
General Sekiyu Group/Japan	483	258
Generale Bank Group/Belgium	183	242
Generale des Eaux Groupe/France	55	244
Generali Group/Italy	156	248
George Weston Ltd/Canada	158	242
GIB Group/Belgium	268	242
GKN Plc/UK	450	266
Glaxo Holdings Plc/UK	363	266
Goldstar Co Ltd/Korea	396	268
Grand Metropolitan/UK	97	264
Great Universal Stores/UK	386	266
Great-West Lifeco/Canada	347	242
GTM-Entrepose/France	426	246
Guardian Royal Exchange/UK	275	264
Guinness Plc/UK	375	266
Hachette Group/France	310	246
Hanson Plc/UK	173	264
Hanwa Company Ltd/Japan	315	254
Harrisons & Crosfield/UK	498	266
Haseko Corp/Japan	416	256
Groupe Havas/France	388	246
Hawker Siddeley Group/UK	422	266
Hazama Corp/Japan	406	256
Heineken NV/Netherlands	420	258
Henkel Group/Germany	223	248
Hidroelectrica Espanola/Spain	491	260
Hillsdown Holdings/UK	221	264
Hino Motors Ltd/Japan	362	256
Hitachi Ltd/Japan	10	250
Hochtief/Germany	440	248
Hoechst Group/Germany	41	246
Hoesch Group/Germany	214	248
Hokkaido Electric Power/Japan	475	258
Hokkaido Takushoku Bank/Japan	296	254
Holderbank Financiere Glaris/Switzerland	433	262
Philipp Holzmann AG/Germany	400	248
Honda Motor Co Ltd/Japan	36	250
Hoogovens Groep/Netherlands	374	258
Hudson's Bay Company/Canada	393	242
Hyundai Corp/Korea	171	268
Hyundai Engineering & Construction/Korea	370	268

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Company/country	Rank	Page
Hyundai Motor Co/Korea	237	268
Imetal/France	452	246
Imperial Chemical Industries/UK	53	262
Inchcape Plc/UK	284	264
Industrial Bank of Japan/Japan	54	252
Isetan Co Ltd/Japan	474	258
Ishikawajima-Harima Heavy Inds/Japan	297	254
Isuzu Motors Ltd/Japan	139	252
Ito-Yokado Co Ltd/Japan	104	252
C Itoh & Co Ltd/Japan	1	250
Itoham Foods/Japan	494	258
Itoman Corp/Japan	273	254
Iwatani International Corp/Japan	476	258
Japan Air Lines/Japan	178	252
Jardine Matheson Holdings/Hong Kong	278	268
Jujo Paper Co Ltd/Japan	428	256
Jusco Co Ltd/Japan	153	252
Kajima Corp/Japan	124	252
Kanebo Ltd/Japan	369	256
Kanematsu Corp/Japan	17	250
Kansai Electric Power/Japan	80	252
Kao Corp/Japan	359	256
Karstadt Group/Germany	159	248
Kaufhof/Germany	168	248
Kawasaki Heavy Industries/Japan	258	254
Kawasaki Kisen Kaisha Ltd/Japan	499	258
Kawasaki Steel Corp/Japan	184	252
Kawasho Corp/Japan	113	252
Kesko Oy/Finland	207	266
Kingfisher Plc/UK	298	264
Kirin Brewery Co Ltd/Japan	328	254
KLM Royal Dutch Airlines/Netherlands	443	258
Klockner-Werke Group/Germany	469	248
Kobe Steel Ltd/Japan	161	252
Komatsu Ltd/Japan	269	254
Konica Corp/Japan	465	256
Kredietbank NV/Belgium	279	242
Kubota Corp/Japan	265	254
Kumagai Gumi Co Ltd/Japan	151	252
Kymmene Corp/Finland	463	266
Kyocera Corp/Japan	488	258
Kyowa Saitama Bank Ltd/Japan	74	252
Kyushu Electric Power/Japan	191	254
L'Air Liquide Group/France	321	246
L'Oreal Group/France	306	246
John Labatt Ltd/Canada	412	244
Ladbroke Group Plc/UK	247	264
Lafarge Coppee/France	282	246
Legal & General Group/UK	230	264
Lex Service Plc/UK	495	266

Company/country	Rank	Page
Linde AG/Germany	437	248
Lloyds Bank Group/UK	70	262
Long-Term Credit Bank of Japan/Japan	69	252
Lonrho Group/UK	320	264
Lucas Industries Plc/UK	447	266
LVMH Group/France	449	246
Lyonnaise des Eaux-Dumez Group/France	102	244
M A N Group/Germany	132	248
Mannesmann Group/Germany	87	248
Marks & Spencer/UK	131	264
Marubeni Corp/Japan	5	250
Marui Co Ltd/Japan	402	256
Matra/France	380	246
Matsushita Electric Industrial/Japan	14	250
Matsushita Electric Works/Japan	235	254
Matsuzakaya Co Ltd/Japan	425	256
Mazda Motor Corp/Japan	63	252
Metallgesellschaft/Germany	115	248
Michelin Group/France	120	244
Midland Group/UK	78	264
Mitsubishi Bank Ltd/Japan	43	250
Mitsubishi Corp/Japan	4	250
Mitsubishi Electric Corp/Japan	51	252
Mitsubishi Heavy Industries/Japan	67	252
Mitsubishi Kasei Corp/Japan	201	254
Mitsubishi Materials Corp/Japan	307	254
Mitsubishi Motors Corp/Japan	61	252
Mitsubishi Oil Co/Japan	308	254
Mitsubishi Trust & Banking/Japan	130	252
Mitsui & Co Ltd/Japan	2	250
Mitsui Marine & Fire Insurance Co/Japan	487	258
Mitsui O.S.K. Lines Ltd/Japan	478	258
Mitsui Real Estate Development/Japan	176	252
Mitsui Taiyo Kobe Bank/Japan	31	250
Mitsui Toatsu Chemicals/Japan	466	256
Mitsui Trust & Banking/Japan	186	252
Mitsukoshi Ltd/Japan	236	254
Munchener Ruckversicherungs/Germany	229	248
Nagasakiya Co Ltd/Japan	490	258
Nagase & Co Ltd/Japan	431	256
National Australia Bank Group/Australia	150	240
National Bank of Canada/Canada	439	244
National Westminster Bank Group/UK	38	262
Nationale-Nederlanden/Netherlands	109	258
NCC Group/Sweden	418	260
NEC Corp/Japan	45	250
Nestle/Switzerland	27	262
News Corp Ltd/Australia	249	240
Nichii Co Ltd/Japan	188	254
Nichimen Corp/Japan	15	250

Company/country	Rank	Page
Nichirei Corp/Japan	453	256
Nikko Securities Co Ltd/Japan	334	256
Nintendo Co Ltd/Japan	481	258
Nippon Credit Bank/Japan	141	252
Nippon Express Co/Japan	127	252
Nippon Light Metal/Japan	410	256
Nippon Meat Packers/Japan	361	256
Nippon Mining Co Ltd/Japan	233	254
Nippon Oil Co Ltd/Japan	88	252
Nippon Steel Corp/Japan	59	252
Nippon Suisan Kaisha Ltd/Japan	462	256
Nippon Telegraph & Telephone/Japan	16	250
Nippon Yusen KK/Japan	324	254
Nippondenso Co Ltd/Japan	137	252
Nissan Motor Co Ltd/Japan	18	250
Nissan Shatai Co Ltd/Japan	480	258
Nisshin Steel Co Ltd/Japan	492	258
Nissho Iwai Corp/Japan	7	250
NKK Corp/Japan	142	252
Nobel Industries Sweden/Sweden	381	260
Oy Nokia Ab/Finland	287	266
Nomura Securities/Japan	187	252
Noranda/Canada	200	242
Nordbanken Group/Sweden	213	260
Norsk Hydro/Norway	149	266
Nova Corp of Alberta/Canada	408	242
Obayashi Corp/Japan	197	254
OCP-Office Commercial Pharmaceutique/France	384	246
Oji Paper Co Ltd/Japan	356	256
Oki Electric Industry/Japan	360	256
Okura & Co Ltd/Japan	461	256
Olivetti Group/Italy	220	250
OMV AG/Austria	289	266
Osaka Gas Co Ltd/Japan	399	256
Oshawa Group Ltd/Canada	414	244
Pacific Dunlop Ltd/Australia	423	240
Paribas Group/France	62	244
Pechiney/France	91	244
Peninsular & Oriental Steam/UK	172	264
Petrobras-Petroleo Brasileiro/Brazil	280	268
Petrofina SA/Belgium	101	242
Peugeot Groupe SA/France	37	244
Philips Group/Netherlands	35	258
Pilkington Plc/UK	344	264
Pinault/France	281	246
Pioneer Electronic Corp/Japan	395	256
Pioneer International/Australia	432	240
Pirelli Group/Italy	209	250
Poliet SA/France	458	246
Preussag Group/Germany	84	248

Company/country	Rank	Page
Groupe Printemps/France	319	246
Procordia/Sweden	270	260
Promodes Group/France	128	244
Provigo Inc/Canada	303	242
Prudential Corp Plc/UK	82	264
Racal Electronics/UK	429	266
Reckitt & Colman Plc/UK	500	266
Repola Ltd/Finland	277	266
Repsol SA/Spain	83	260
Rhone-Poulenc Group/France	89	244
Cie Financiere Richemont/Switzerland	367	262
Ricoh Co Ltd/Japan	234	254
RMC Group Plc/UK	368	266
Roche Group/Switzerland	239	262
Rolls-Royce Plc/UK	255	264
Royal Bank of Canada/Canada	107	242
Royal Bank of Scotland Group/UK	252	264
Royal Dutch/Shell Group/Netherlands	6	258
Royal Insurance Holdings/UK	146	264
Royal Nedlloyd Group/Netherlands	444	258
Royal Trustco Ltd/Canada	390	242
RTZ Corp Plc/UK	241	264
RWE Group/Germany	48	246
Saab-Scania Group/Sweden	342	260
Saatchi & Saatchi Co/UK	226	264
SAE-Soc Auxiliaire D'Entreprises/France	340	246
J Sainsbury Plc/UK	86	264
Saint-Gobain/France	105	244
Sandoz Group/Switzerland	175	262
Sanwa Bank Ltd/Japan	30	250
Sanyo Electric Co/Japan	144	252
Sanyo-Kokusaku Pulp/Japan	482	258
Sato Kogyo Co Ltd/Japan	427	256
SCA-Svenska Cellulosa/Sweden	326	260
Schering Group/Germany	445	248
Schlumberger Ltd/Netherlands	322	258
Schneider SA/France	163	244
Seagram Co Ltd/Canada	335	242
Sears Plc/UK	419	266
Seiyu Ltd/Japan	169	252
Sekisui Chemical Co/Japan	337	256
Sekisui House Ltd/Japan	218	254
Sharp Corp/Japan	135	252
Shimizu Corp/Japan	125	252
Shinsho Corp/Japan	421	256
Shiseido Co Ltd/Japan	448	256
Showa Denko KK/Japan	387	256
Showa Shell Sekiyu KK/Japan	117	252
Siemens Group/Germany	22	246
Skandinaviska Enskilda Banken/Sweden	180	260

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Company/country	Rank	Page
Skanska AB/Sweden	266	260
SKF Group/Sweden	358	260
SME-Soc Meridionale Finanziaria/Italy	383	250
W H Smith Group Plc/UK	471	266
SmithKline Beecham Plc/UK	205	264
Snow Brand Milk Products/Japan	246	254
Societe Generale Group/France	56	244
Solvay Group/Belgium	216	242
Sony Corp/Japan	47	250
South African Breweries/South Africa	309	268
Ssangyong Group/Korea	199	268
Standard Chartered Group/UK	351	264
STET-Soc Finanziaria Telefonica/Italy	76	248
Stora/Sweden	136	260
Suez Group/France	23	244
Sulzer Group/Switzerland	377	262
Sumitomo Bank Ltd/Japan	24	250
Sumitomo Chemical Co Ltd/Japan	225	254
Sumitomo Corp/Japan	3	250
Sumitomo Electric Industries/Japan	212	254
Sumitomo Forestry Co Ltd/Japan	451	256
Sumitomo Heavy Industries/Japan	485	258
Sumitomo Metal Industries/Japan	106	252
Sumitomo Metal Mining/Japan	403	256
Sumitomo Rubber Industries/Japan	435	256
Sumitomo Trust & Banking/Japan	126	252
Sun Alliance Group/UK	224	264
Suzuki Motor Corp/Japan	181	252
Svenska Handelsbanken/Sweden	189	260
Swire Pacific/Hong Kong	411	268
Swiss Bank Corp/Switzerland	108	262
Swiss Re Group/Switzerland	167	262
Swissair Group/Switzerland	436	262
Tabacalera/Spain	293	260
Taisei Corp/Japan	116	252
Taiyo Fishery Co Ltd/Japan	217	254
Takashimaya Co Ltd/Japan	227	254
Takeda Chemical Industries/Japan	345	256
Tarmac Plc/UK	259	264
Tate & Lyle Group/UK	291	264
TDK Corp/Japan	430	256
Teijin Ltd/Japan	389	256
Telefonica/Spain	196	260
Tesco Plc/UK	118	264
Thomson Corp/Canada	317	242
Thomson CSF SA/France	245	244
Thorn Emi Plc/UK	248	264
Thyssen Group/Germany	57	246
TNT Ltd/Australia	470	240
Toda Corp/Japan	407	256

Company/country	Rank	Page
Tohoku Electric Power/Japan	195	254
Tokai Bank Ltd/Japan	64	252
Tokio Marine & Fire Insurance/Japan	232	254
Tokyo Electric Power Co/Japan	34	250
Tokyo Gas Co Ltd/Japan	327	254
Tokyu Construction/Japan	409	256
Tokyu Department Store/Japan	493	258
Tomen Corp/Japan	12	250
Tonen Corp/Japan	304	254
Toppan Printing Co/Japan	243	254
Toray Industries/Japan	257	254
Toronto-Dominion Bank/Canada	253	242
Toshiba Corp/Japan	28	250
Toshoku Ltd/Japan	313	254
Total Group-Francaise des Petroles/France	50	244
Toyo Seikan Kaisha Ltd/Japan	341	256
Toyo Trust & Banking/Japan	294	254
Toyobo Co Ltd/Japan	424	256
Toyoda Automatic Loom Works Ltd/Japan	405	256
Toyota Motor Corp/Japan	8	250
Toyota Tsusho Corp/Japan	99	252
Trafalgar House Plc/UK	330	264
Trelleborg Group/Sweden	394	260
Trusthouse Forte Plc/UK	355	266
UAP-Union des Assurances de Paris/France	68	244
Ube Industries Ltd/Japan	385	256
Unigate Plc/UK	415	266
Unilever/Netherlands	21	258
Union Bank of Finland/Finland	382	266
Union Bank of Switzerland/Switzerland	100	262
United Biscuits (Holdings)/UK	391	266
UNY Co Ltd/Japan	379	256
Valeo/France	441	246
Varity Corp/Canada	460	244
VEBA Group/Germany	26	246
VEW-Vereinigte Elektrizitatswerke/Germany	417	248
VIAG Group/Germany	111	248
Volkswagen Group/Germany	19	246
Volvo Group/Sweden	93	260
Westpac Banking Group/Australia	119	240
Whitbread Plc/UK	434	266
George Wimpey Plc/UK	473	266
Winterthur Group/Switzerland	145	262
Yamaha Corp/Japan	456	256
Yamaha Motor Co Ltd/Japan	343	256
Yamaichi Securities Co/Japan	354	256
Yamazaki Baking Co Ltd/Japan	497	258
Yasuda Fire & Marine Insurance/Japan	316	254
Yasuda Trust & Banking/Japan	222	254
Zurich Insurance Group/Switzerland	98	262

Their money stayed home

AMERICANS can stop worrying about a foreign takeover of our economy. Overseas companies slowed their acquisition spree, but they didn't stop it altogether. According to the U.S. Department of Commerce, net capital inflow from foreigners into the U.S. was $86 billion, down sharply from the $215 billion of 1989 and the record $219 billion of 1988.

Why the drop? For one thing, the continuing troubles of the U.S. banking industry reduced confidence in American assets. Interest rate differentials made U.S. securities less attractive. And last year's bearish stock market drove down the value of U.S. equities already held by foreigners.

The net figure for direct investment—outright purchase or investment in U.S. firms—fell 49%, to $37 billion. When foreigners did open their wallets, they zeroed in on big American corporations. According to *Mergers & Acquisitions* magazine, foreigners were involved in 14% of the takeover deals that took place in the U.S. in 1990. A total of $7 billion went to acquire businesses in the health care industry; about half of it was spent by Rhone-Poulenc of France in a complicated deal for control of Rorer Group, now named Rhone-Poulenc Rorer.

Allianz of Germany jumped into the U.S. insurance business by acquiring Fireman's Fund from Fund American. France's Schneider S.A. purchased Square D, and Matsushita Electric Industrial bought U.S. media company MCA. Our table shows the revenue for MCA for the 12 months through September 1990, the last time MCA reported earnings. After a company is acquired it can become difficult, if not impossible, to obtain financial data—especially when the parent company is private.

Vendex International of the Netherlands disposed of its 35% holdings in Dillard Department Stores. Regie Nationale des Usines Renault's U.S. operations are now listed with Volvo, following last year's deal between the two companies. In the table below, FORBES shows total revenue, net income and assets of the U.S. corporation instead of the proportional interest the parent holds in it.

1990 rank	Foreign investor	Country	US investment	% owned	Industry	Revenue ($mil)	Net income ($mil)	Assets ($mil)
1	**Seagram Co Ltd***	Canada	El du Pont de Nemours*	25	chemicals, energy	40,047	2,310.0	38,128
			JE Seagram	100	beverages	3,678	536.7	8,935
						43,725		
2	**Royal Dutch/Shell Group***	Netherlands/UK	Shell Oil	100	energy, chemicals	24,423	1,036.0	28,496
3	**British Petroleum Plc***	UK	BP America	100	energy	18,620	NA	NA
			Standard Oil	100	energy			
4	**Grand Metropolitan Ltd***	UK	Burger King	100	fast food	6,100	NA	NA
			Grand Metropolitan USA	100	beverages, retailing	4,120	NA	NA
			Pillsbury	100	food processing	2,600	NA	NA
						12,820		
5	**Tengelmann Group**	Germany	Great A&P Tea*	53	supermarkets	11,391	151.0	3,307
6	**Campeau**	Canada	Federated Dept Stores	100	retailing	4,576	–208.6	6,126
			Allied Stores	100	retailing	2,562	–62.9	3,024
			Ralphs Grocery	100	supermarkets	2,800	–38.3	1,400
						9,938		
7	**Petroleos de Venezuela, SA**	Venezuela	Citgo Petroleum	100	refining, marketing	9,049	108.7	2,881
8	**Unilever NV***	Netherlands	Unilever United States	100	food proc, pers prods	8,680	3.9	9,039
	Unilever Plc*	UK						
9	**B.A.T Industries Plc***	UK	Brown & Williamson Tobacco	100	tobacco	3,050	NA	NA
			Farmers Group	100	insurance	1,297	357.5	4,646
	Imasco Ltd	Canada	Hardee's Food Systems	100	fast food	4,146	NA	NA
						8,493		
10	**Hanson Plc***	UK	Hanson Industries	100	multicompany	6,453	456.0	12,027
			Smith Corona*	48	office supplies	471	33.5	222
			GR Foods*	49	restaurant	289	–16.8	202
			Cavenham Forest Inds	100	timber	276	NA	NA
						7,489		
11	**Sony Corp***	Japan	Sony Music Entertainment	100	music entertainment			
			Columbia Pictures	100	movies	7,460	NA	NA
			Sony Corp of America	100	consumer electronics			

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1990 rank	Foreign investor	Country	US investment	% owned	Industry	Revenue ($mil)	Net income ($mil)	Assets ($mil)
12	**Nestle SA***	Switzerland	Nestle USA	100	food processing	7,225	NA	NA
			Alcon Laboratories	100	pharmaceuticals			
13	**Philips NV***	Netherlands	North American Philips	100	electronics	6,119	–645.7	3,377
14	**Franz Haniel & Cie**	Germany	Scrivner	100	food distribution	6,000	NA	1,400
			Gateway Foods	100	food distribution			
15	**Pechiney**	France	American National Can	100	packaging	4,506	NA	6,721
			Howmet	100	gas turbines	973	NA	
			Other companies	100	aluminum	459	NA	
						5,938		
16	**Bayer AG***	Germany	Miles	100	health care	2,568	100.3	2,217
			Mobay	100	chemicals	2,224	91.3	1,891
			Agfa	100	photography	957	–8.2	765
			Other companies	100	chemicals	154	–34.2	164
						5,903		
17	**Hoechst AG***	Germany	Hoechst Celanese	100	chemicals	5,881	201.0	6,082
18	**Volvo AB***	Sweden	Hertz	26	car rental	2,666	89.0	3,852
			Volvo GM Heavy Truck	76	automotive	999	NA	NA
			VME Americas	25	automotive	360E	NA	NA
	Regie Nationale des Usines Renault	France	Mack Trucks	100	automotive	1,608	–222.9	NA
						5,633		
19	**ASEA AB***	Sweden						
	BBC Brown Boveri*	Switzerland						
	ABB Asea Brown Boveri	Switzerland	ABB	100	power generation	5,600	NA	5,650
20	**Delhaize "Le Lion" SA**	Belgium	Food Lion*	50	supermarkets	5,584	172.6	1,559
21	**BASF AG***	Germany	BASF	100	chemicals	5,381	64.3	3,643
22	**Toyota Motor Corp***	Japan	Toyota Motor Mfg	100	automotive	2,600E	NA	NA
			New United Motor Mfg	50	automotive	2,000E	NA	NA
	Nippondenso Co Ltd*	Japan	Nippondenso America	100	auto parts	670	NA	NA
						5,270		
23	**Rhone–Poulenc SA***	France	Rhone–Poulenc	100	chemicals	2,300	NA	3,300
			Rhone–Poulenc Rorer*	67	pharmaceuticals	2,917	1.0	4,085
						5,217		
24	**Bridgestone***	Japan	Bridgestone/Firestone	100	tire	5,000	–350.0	NA
25	**Honda Motor Co Ltd***	Japan	Honda of America Mfg	100	automotive	5,000E	NA	NA
26	**Imperial Chemical Industries Plc***	UK	ICI Americas	100	chemicals, drugs, paint	5,000	NA	NA
27	**Carrefour**	France	Costco Wholesale*	20	retailing	4,133	49.2	820
			Office Depot*	22	retailing	626	9.7	182
						4,759		
28	**Brascan Ltd***	Canada						
	Noranda	Canada	Noranda US	100	minerals, forest prods	2,941†	NA	2,221
	John Labatt Ltd	Canada	Johanna Dairies	100	dairy, juice products	1,612	NA	NA
			Other companies	100	packaged foods, brewing			
						4,553		
29	**Ahold NV***	Netherlands	First National Supermkts	90	supermarkets	1,967	NA	NA
			BI–LO	100	supermarkets	1,543	NA	1,162
			Giant Food Stores	100	supermarkets	903	NA	NA
						4,413		
30	**BCE***	Canada						
	Northern Telecom Ltd*	Canada	Northern Telecom	100	telecommunications	3,938	NA	3,142
	Trans Canada Pipeline*	Canada	Great Lakes Gas Trans	50	gas transmission	228	46.8	NA
			Northern Border Pipeline	30	gas transmission	171	–39.1	NA
						4,337		

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THE 100 LARGEST FOREIGN INVESTMENTS IN THE U.S.

1990 rank	Foreign investor	Country	US investment	% owned	Industry	Revenue ($mil)	Net income ($mil)	Assets ($mil)
31	**Fujitsu Ltd***	Japan	Amdahl*	44	electronics	2,159	184.0	2,327
			Fujitsu America	100	electronics	1,640	NA	NA
			Fujitsu Microelectronics	100	electronics	480	–89.0	334
						4,279		
32	**Anglo Amer of S Africa***	South Africa						
	Minorco*	Luxembourg	Engelhard*	30	metals	2,942	70.3	1,320
			Inspiration Resources*	56	agricultural, mining	1,320	–108.5	805
						4,262		
33	**Electrolux AB***	Sweden	White Consolidated	100	appliances	4,132	NA	NA
34	**Siemens AG***	Germany	Siemens	100	electronics	4,100	–145.0	2,000
35	**Ciba-Geigy Ltd***	Switzerland	CIBA-GEIGY	100	chemicals, drugs	3,800	NA	3,300
			Other companies	20	precision instruments	244	NA	NA
						4,044		
36	**Petrofina SA***	Belgium	Fina*	85	energy	3,978	125.5	2,846
37	**Matsushita Electric Industrial***	Japan	MCA	100	entertainment	3,881	209.4	5,286
38	**Ferruzzi-Montedison*Group**	Italy	Central Soya	100	food processing	1,950	NA	NA
			Himont	100	chemicals	1,611	NA	NA
			Other companies	100	pharmaceuticals	300	NA	NA
						3,861		
39	**News Corp Ltd***	Australia	News America	100	media, publishing	3,780	NA	9,655
40	**Prudential Corp Plc***	UK	Jackson National Life	100	insurance	3,681	70.0	10,602
41	**SmithKline Beecham Plc***	UK	SmithKline Beecham (US)	100	drugs, consumer prods	3,582	NA	2,541
42	**Dalgety Plc**	UK	Martin-Brower	100	food distribution	3,500	NA	NA
43	**Zurich Insurance Group**	Switzerland	Zurich Insurance Group US	100	insurance	3,298	175.4	7,462
44	**Allianz**	Germany	Fireman's Fund	100	insurance	3,240	–32.0	9,212
45	**RTZ Plc***	UK	US Borax & Chemical	100	mining, borax			
			US Silica	100	sand, clays	2,350	426.5	2,692
			Kennecott	100	mining			
	RTZ Pillar Ltd	UK	Indal US	100	building products	483	NA	297
	Rio Algom Ltd*	Canada	Rio Algom	100	metals, mining	352	NA	223
						3,185		
46	**BTR Plc***	UK	BTR Dunlop	100	construction, controls	3,008	NA	NA
47	**Compagnies des Machines Bull***	France	Bull HN Information Sys	85	information systems	2,174	–477.0	1,911
			Zenith Data Systems	100	information systems	830	–149.0	724
						3,004		
48	**Manufacturers Life Insurance**	Canada	Manufacturers Life Ins US	100	insurance	3,000E	NA	NA
49	**Jefferson Smurfit Group Plc**	Ireland						
	Smurfit International BV	Netherlands	Jefferson Smurfit*	50	paper, packaging			
			Container Corp of Am	50	paper, packaging	2,911	22.0	2,448
50	**Saint-Gobain**	France	CertainTeed	100	building materials	1,400E	NA	1,100E
			Norton	100	building materials	1,500E	NA	1,200E
						2,900		
51	**Societe Nationale Elf Aquitaine***	France	Elf Aquitaine	100	oil & gas, chemicals	2,490	NA	4,512
	Sanofi SA	France	Sanofi	100	health, beauty products	402	NA	637
						2,892		
52	**Alcan Aluminium Ltd***	Canada	Alcan Aluminum	100	aluminum	2,876	83.0	1,710
53	**Total CFP**	France	Total Petroleum	100	energy	2,659	23.8	1,058
			Total Minatome	100	oil & gas	200	NA	600
						2,859		

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1990 rank	Foreign investor	Country	US investment	% owned	Industry	Revenue ($mil)	Net income ($mil)	Assets ($mil)
54	**Henkel KGaA**	Germany	Clorox*	28	household products	1,484	153.6	1,138
			Henkel	100	chemicals	835	NA	1,260
			Loctite*	26	chemicals	510	61.4	440
						2,829		
55	**Hongkong & Shanghai Banking Corp***	Hong Kong	Marine Midland Banks	100	banking	2,813	–295.6	20,107
56	**Edmund J Safra**	Switzerland						
	Saban SA	Switzerland	Republic NY*	29	banking	2,772	201.2	29,597
57	**Power Corp of Canada**	Canada						
	Great–West Lifeco	Canada	Great–West Life Assur	99	insurance	2,745	NA	10,659
58	**Thomson SA**	France	Thomson Consumer Elec	100	consumer electronics	2,669	–60.0	1,219
59	**NKK Corp***	Japan	National Steel	70	steel	2,508	18.5	2,105
			Int'l Light Metals	40	aluminum, titanium	103	–20.0	135
						2,611		
60	**Daimler–Benz AG***	Germany	Freightliner	100	automotive	1,713	NA	NA
	AEG AG	Germany	AEG	100	elec equip, electronics			
			Other companies	100	elec equip, computers	850	NA	NA
						2,563		
61	**Broken Hill Proprietary***	Australia	Pacific Resources	100	energy	1,000E	NA	NA
			BHP Petroleum (Americas)	100	energy	700E	NA	NA
			BHP–Utah Minerals	100	mining	600E	NA	NA
			Hamilton Oil*	78	energy	236	30.9	957
						2,536		
62	**Sun Life Assurance Co of Canada**	Canada	Sun Life of Canada (US)	100	insurance	1,789	4.5	5,841
			Sun Life's US Subs	100	insurance	745	NA	NA
						2,534		
63	**Snecma**	France	CFM International	50	aviation	2,463	1.2	1,211
64	**Sandoz Ltd**	Switzerland	Sandoz United States	100	chemicals, drugs	2,436	NA	NA
65	**Roche Holding Ltd**	Switzerland	Hoffmann–La Roche	100	drugs, chemicals	1,980	NA	NA
			Genentech*	61	biotechnology	447	–98.0	1,158
						2,427		
66	**Bank of Tokyo Ltd***	Japan	Union Bank*	77	banking	1,686	146.5	16,313.0
			Bank of Tokyo Trust	100	banking	722	31.4	8,800
						2,408		
67	**Dainippon Ink & Chemicals**	Japan	Sun Chemical	100	printing, chemicals	1,100E	NA	NA
			Reichhold Chemicals	100	chemicals	1,000E	NA	NA
			Polychrome	100	printing	300E	NA	NA
						2,400		
68	**General Electric Plc***	UK	Picker International	100	medical equipment			
			AB Dick	100	office equipment	2,369	NA	NA
			Other companies	100	elec system & component			
69	**Tate & Lyle Plc***	UK	AE Staley Manufacturing	90	food distr, processing	1,200	NA	NA
			Pacific Molasses	100	molasses, animal feeds			
			Western Sugar	100	sugar refining	1,145	NA	NA
			Other companies	100	sugar processing			
						2,345		
70	**National Westminster Bank Plc***	UK	National Westminster	100	banking	2,290	–372.4	23,323
71	**Aegon NV***	Netherlands	Aegon USA	100	insurance	2,286	102.1	10,444
72	**Nationale–Nederlanden NV**	Netherlands	Nationale–Nederlanden US	100	insurance	2,260	52.0	6,584
73	**Royal Insurance Holdings Plc**	UK	Royal USA	100	insurance	2,246	–46.3	5,294
74	**Nissan Motor Co Ltd***	Japan	Nissan Motor Mfg USA	100	automotive	2,200E	NA	NA

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THE 100 LARGEST FOREIGN INVESTMENTS IN THE U.S.

1990 rank	Foreign investor	Country	US investment	% owned	Industry	Revenue ($mil)	Net income ($mil)	Assets ($mil)
75	**Mazda Motor**	Japan	Mazda Motor Mfg USA	100	automotive	2,100E	NA	NA
76	**McDermott International***	Panama	McDermott	100	heavy equipment	2,028	NA	1,395
77	**General Accident Fire & Life Plc**	UK	Gen Accident Corp of Am	100	insurance	1,983	177.4	4,512
78	**Glaxo Holdings Plc***	UK	Glaxo	100	ethical pharmaceutical	1,957	NA	NA
79	**Thomson Corp**	Canada	Thomson US	100	publishing	1,954	NA	4,503
80	**WPP Group Plc***	UK	Ogilvy & Mather	100	advertising	775	NA	NA
			J Walter Thompson	100	advertising	691	NA	NA
			WPP Group USA	100	marketing services	290	NA	NA
			Knowlton	100	public relations	197	NA	NA
						1,953		
81	**Confederation Life Insurance**	Canada	Confederation Life	100	insurance	1,919	NA	4,996
82	**Bertelsmann AG**	Germany	Bertelsmann USA	100	printing, publishing	1,911	NA	NA
83	**Crownx**	Canada	Crown Life Insurance (US	94	insurance	1,500E	NA	NA
			United Health	100	health care	402	NA	NA
						1,902		
84	**Akzo NV***	Netherlands	Akzo America	100	multicompany	1,892	NA	1,900E
85	**Maxwell Communications Plc***	UK	Maxwell Macmillan	100	publishing			
			Official Airline Guides	100	publishing	1,841	91.8	6,235
			Macmillan McGraw-Hill	100	school publishing			
86	**George Weston Ltd**	Canada	Stroehmann Bakeries	100	bakery			
			Interbake Foods	100	bakery	693	NA	356
			Eddy Paper	100	paper products			
	Loblaw Cos	Canada	National Tea	100	supermarkets	1,125	NA	314
						1,818		
87	**Otto Family**	Germany	Spiegel*	87	catalog retailing	1,785	61.5	1,744
88	**J Sainsbury Plc***	UK	Shaw's Supermarkets	100	supermarkets	1,770	NA	NA
89	**BOC Group Plc***	UK	BOC Group	100	gases & health care	1,740	-120.0	1,700
90	**CS Holding**	Switzerland	First Boston	45	investment banking	1,700E	NA	31,042
91	**Sobey Parties**	Canada	Hannaford Brothers*	26	food distribution	1,688	42.2	629
92	**NV AMEV**	Netherlands						
	Groupe AG	Belgium	AMEV Holdings	100	insurance	1,685	63.4	2,991
93	**Mitsubishi Motors**	Japan	Diamond-Star Motors	50	automotive	1,678	NA	NA
94	**Beazer Plc***	UK	Beazer USA	100	const materials	1,675	NA	4,200E
95	**Canadian Pacific Ltd***	Canada	CP Rail (US)	100	railroad			
			Canadian Pacific US	100	transportation, steel	800E	NA	2,300E
	United Dominion Inds*	Canada	United Dominion Inds (US)	100	industrial machinery	868	NA	318
						1,668		
96	**Moore Corp Ltd***	Canada	Moore Business Forms	100	business forms	1,659	57.2	998
97	**Schneider SA**	France	Square D	95	electrical equipment	1,653	120.7	1,460
98	**Olympia & York Develop Ltd**	Canada	Landmark Land*	25	real estate	389	-221.5	2,400
	Abitibi-Price*	Canada	Abitibi-Price (US)	100	bldg products, newsprnt	713	NA	401
	Trizec	Canada	Rouse*	23	property dev, banking	530	-1.2	2,615
						1,632		
99	**United Biscuits (Holdings) Plc**	UK	Keebler	100	food processing	1,615	60.1	671
100	**Ifint SA**	Luxembourg	Lear Seating	29	auto parts	1,100E	NA	NA
			Moog Automotive	100	auto parts	500E	NA	NA
						1,600		

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U.S. corporations with the biggest foreign revenues

FOR THE 100 largest U.S.-based multinationals listed below, aggregate U.S. sales increased only 4.5% in 1990—that's actually a decline of 1.6% after adjusting for inflation. However, the foreign operations of these same 100 companies registered a 15% jump in revenues, to $640 billion. Foreign sales are now about 40% of the total revenues of these giants. More than ever before, for a U.S. corporation to grow, it must have a global perspective.

Foreign revenue gains are unlikely to look as impressive this year as last, however. Sales in foreign countries are translated back into U.S. dollars when booked on the parent's consolidated statement. The dollar was weak in 1990, meaning foreign sales were translated into more dollars. But this year the dollar has been rising against most Western European currencies and the Japanese yen. If this trend persists, the 1991 revenues of U.S.-based multinationals will be penalized by currency conversion.

Perhaps offsetting this disadvantage, optimistic economists at the Organization for Economic Cooperation & Development forecast a 3.1% growth rate for the U.S. in 1992, compared with a 2.9% rate for all the OECD countries, including the U.S. Mitchell J. Held, chief financial economist at Smith Barney, thinks U.S. companies have a growing edge in exporting to international markets. Held thinks that through a combination of smaller wage gains and greater productivity growth, unit labor cost growth in the U.S. is going to be among the lowest in the world. So for those multinationals that can shift production to the U.S., the year ahead looks rather promising.

Last year impressive foreign revenue gains were registered by personal computer makers Apple and Compaq. Given the increased competition in the U.S. computer market, this growth in foreign demand couldn't have come at a better time for these two companies.

When calculating foreign sales, U.S. exports and intergeographic sales between affiliates are not considered.

To rank as one of the 100 largest U.S. multinationals, a corporation had to generate foreign revenues in excess of $1.8 billion in 1990, up from $1.35 billion in 1989. Exchange rates account for some of this increase, but the minimum was also raised by heavyweight multinationals that joined this list. RJR Nabisco and Safeway recently expanded their equity bases, and Rhone-Poulenc Rorer and Federal Express grew by merger or acquisition.

1990 Rank	Company	Revenue			Net profit[1]			Assets		
		foreign ($mil)	total ($mil)	foreign as % of total	foreign ($mil)	total ($mil)	foreign as % of total	foreign ($mil)	total ($mil)	foreign as % of total
1	Exxon	79,015	105,519	74.9	4,184	5,010	83.5	51,586	87,707	58.8
2	IBM	41,886	69,018	60.7	4,548	6,020	75.5	45,692	87,568	52.2
3	General Motors	37,738	124,705	30.3	2,585	–1,986	P-D	52,621	179,976	29.2
4	Ford Motor	35,879	97,650	36.7	232	860	27.0	55,161	173,611	31.8
5	Mobil	32,515[2]	58,770[2]	55.3	2,132[3]	2,547[3]	83.7	22,296	41,665	53.5
6	Citicorp	21,072	38,385	54.9	178	318	56.0	99,907[4]	231,788[4]	42.7
7	Texaco	17,520	40,899	42.8	936[3]	1,993[3]	47.0	7,818	25,975	30.1
8	El du Pont de Nemours	17,413[5]	40,047[5]	43.5	948	2,310	41.0	11,878	38,128	31.2
9	ITT[6]	11,628	25,734	45.2	540[7]	900[7]	60.0	12,762	52,588	24.3
10	Philip Morris Cos	10,468	44,323	23.6	960	3,540	27.1	12,510	46,569	26.9

[1]From continuing operations. [2]Includes other income. [3]Net income before corporate expense. [4]Average assets. [5]Includes excise taxes. [6]Includes proportionate interest in unconsolidated subsidiaries or affiliates. [7]Net income before minority interest. [8]Excludes Canadian operations. [9]Pretax income. [10]Operating profit. D-P: Deficit over profit. P-D: Profit over deficit. NA: Not available.

1990 Rank	Company	Revenue			Net profit[1]			Assets		
		foreign ($mil)	total ($mil)	foreign as % of total	foreign ($mil)	total ($mil)	foreign as % of total	foreign ($mil)	total ($mil)	foreign as % of total
11	Dow Chemical	10,279	19,773	52.0	543[7]	1,585[7]	34.3	10,879	23,953	45.4
12	Procter & Gamble	9,618	24,081	39.9	467	1,602	29.2	6,516	18,487	35.2
13	Chevron	8,592	38,607	22.3	1,311	2,157	60.8	8,406	35,089	24.0
14	General Electric	8,272[2]	58,414[2]	14.2	490	4,303	11.4	16,461	153,884	10.7
15	Eastman Kodak	8,245	18,908	43.6	605	703	86.1	7,107	24,125	29.5
16	Amoco	8,227[2]	29,201[2]	28.2	975	1,913	51.0	10,570	32,209	32.8
17	Xerox[6]	8,105	19,188	42.2	531[7]	792[7]	67.0	8,659	32,177	26.9
18	United Technologies	7,840[2]	21,783[2]	36.0	434[7]	812[7]	53.4	4,379	15,918	27.5
19	Hewlett-Packard	7,208	13,233	54.5	361	739	48.8	5,088	11,395	44.7
20	Digital Equipment	7,119	12,943	55.0	374	74	505.4	5,085	11,655	43.6
21	American Intl Group	6,318[8]	15,702	40.2	600[8]	1,442	41.6	22,095[8]	58,143	38.0
22	Coca-Cola	6,261	10,236	61.2	997	1,382	72.1	3,708	9,278	40.0
23	Minn Mining & Mfg	6,219	13,021	47.8	486[7]	1,337[7]	36.4	4,705	11,079	42.5
24	Motorola	5,896	10,885	54.2	285[9]	666[9]	42.8	3,084	8,742	35.3
25	Johnson & Johnson	5,805	11,232	51.7	573	1,143	50.1	4,359	9,506	45.9
26	American Express	5,348	24,332	22.0	264	338	78.1	26,351	137,682	19.1
27	Chase Manhattan	5,291	13,672	38.7	131	–334	P-D	25,933	98,064	26.4
28	Unisys	5,240	10,111	51.8	–181	–437	41.4	3,500	10,289	34.0
29	Goodyear Tire & Rubber	4,813	11,273	42.7	8	–38	P-D	3,436	8,964	38.3
30	JP Morgan & Co	4,752	10,465	45.4	462	775	59.6	40,410	93,103	43.4
31	Tenneco	4,526	14,511	31.2	129	561	23.0	5,604	19,034	29.4
32	Bankers Trust New York	4,448	7,919	56.2	518	665	77.9	40,287	63,596	63.3
33	Bristol-Myers Squibb	4,421	10,300	42.9	481	1,748	27.5	2,522	9,215	27.4
34	Aluminum Co of America	4,327	10,710	40.4	807[7]	653[7]	123.6	5,133	11,413	45.0
35	American Brands	4,296	8,270	51.9	444	596	74.5	3,797	13,835	27.4
36	Woolworth	4,267	9,789	43.6	135	317	42.6	1,974	4,305	45.9
37	Sears, Roebuck	4,221	55,972	7.5	48[7]	894[7]	5.4	3,299	96,253	3.4
38	Atlantic Richfield	3,928	18,008	21.8	244[7]	1,744[7]	14.0	4,898	23,864	20.5
39	NCR	3,892	6,285	61.9	352	369	95.4	2,025	4,547	44.5
40	Colgate-Palmolive	3,792	5,691	66.6	180	321	56.1	2,232	4,158	53.7
41	PepsiCo	3,756	17,803	21.1	613	1,091	56.2	3,826	17,143	22.3
42	Chrysler	3,733	30,620	12.2	152	68	223.5	5,663	46,374	12.2
43	Safeway	3,701	14,874	24.9	44	87	50.6	1,043	4,739	22.0
44	Merck	3,632	7,672	47.3	459	1,781	25.8	2,548	8,030	31.7
45	Kmart[4]	3,595	35,387	10.2	NA	756	NA	1,786	14,321	9.0
46	Salomon	3,562	8,946	39.8	412	303	136.0	36,546	109,877	33.3
47	CPC International	3,459	5,781	59.8	211[7]	383[7]	55.1	2,947	4,490	65.6
48	Whirlpool[6]	3,438	7,270	47.3	–59[8]	77[7]	D-P	2,095[8]	5,774	36.3
49	Sara Lee	3,324	11,606	28.6	246	470	52.3	3,176	7,636	41.6
50	Monsanto	3,310	8,995	36.8	199	546	36.4	2,996	9,236	32.4
51	Caterpillar	3,083	11,436	27.0	22[10]	646[10]	3.4	2,239	11,951	18.7
52	Manufacturers Hanover	3,079	7,695	40.0	32	139	23.0	22,921	61,530	37.3
53	GTE	3,044	18,374	16.6	244	1,541	15.8	4,878	33,769	14.4
54	International Paper	3,044	12,960	23.5	152[9]	946[9]	16.1	3,225	13,669	23.6
55	UAL	3,010	11,037	27.3	NA	94	NA	NA	7,994	NA

[1]From continuing operations. [2]Includes other income. [3]Net income before corporate expense. [4]Average assets. [5]Includes excise taxes. [6]Includes proportionate interest in unconsolidated subsidiaries or affiliates. [7]Net income before minority interest. [8]Excludes Canadian operations. [9]Pretax income. [10]Operating profit. D-P: Deficit over profit. P-D: Profit over deficit. NA: Not available.

100 LARGEST U.S. MULTINATIONALS

1990 Rank	Company	Revenue foreign ($mil)	Revenue total ($mil)	Revenue foreign as % of total	Net profit[1] foreign ($mil)	Net profit[1] total ($mil)	Net profit[1] foreign as % of total	Assets foreign ($mil)	Assets total ($mil)	Assets foreign as % of total
56	Allied-Signal	2,948	12,343	23.9	63	462	13.6	2,481	10,456	23.7
57	Pfizer	2,933	6,406	45.8	468[7]	805[7]	58.1	3,162	9,052	34.9
58	Pan Am	2,921	3,917	74.6	-279[9]	-662[9]	42.1	NA	2,073	NA
59	Gillette	2,911	4,345	67.0	227	368	61.7	2,380	3,671	64.8
60	BankAmerica	2,894	12,323	23.5	-113	877	D-P	22,377	110,728	20.2
61	Union Carbide	2,775	7,621	36.4	93	308	30.2	3,215	8,733	36.8
62	McDonald's	2,769	6,640	41.7	300	802	37.4	4,608	10,668	43.2
63	Sun Company	2,705	11,812	22.9	87	199	43.7	3,156	9,000	35.1
64	TRW	2,552	8,169	31.2	83	208	39.9	1,720	5,555	31.0
65	Cigna	2,518	18,164	13.9	-178	318	D-P	6,941	63,691	10.9
66	WR Grace	2,494	6,754	36.9	169[7]	214[7]	79.0	2,121	6,227	34.1
67	Bank of Boston	2,454	5,598	43.8	92	-438	P-D	6,141[4]	36,491[4]	16.8
68	Rockwell International	2,413	12,379	19.5	101	624	16.2	2,167	9,738	22.3
69	Phillips Petroleum	2,408	13,603	17.7	396	541	73.2	2,406	12,130	19.8
70	Apple Computer	2,317	5,558	41.7	521[9]	779[9]	66.9	945	2,976	31.8
71	Kimberly-Clark[6]	2,311	6,919	33.4	116[7]	442[7]	26.2	2,169	5,444	39.8
72	HJ Heinz	2,306	6,086	37.9	186	504	36.9	1,883	4,487	42.0
73	Emerson Electric	2,265	7,573	29.9	164	613	26.8	2,487	6,376	39.0
74	Rhone-Poulenc Rorer	2,249	2,917	77.1	64[7]	7[7]	914.3	2,961	4,085	72.5
75	Abbott Laboratories	2,245	6,159	36.5	165	966	17.1	1,647	5,563	29.6
76	Warner-Lambert	2,242	4,687	47.8	197	485	40.6	1,345	3,261	41.2
77	Federal Express	2,230	7,015	31.8	-194[10]	414[10]	D-P	1,877	5,675	33.1
78	Great A&P Tea	2,195	11,391	19.3	32	151	21.2	789	3,307	23.9
79	Texas Instruments	2,180	6,567	33.2	-92[3]	-78[3]	117.9	2,077	5,048	41.1
80	American Home Products	2,168	6,775	32.0	155	1,231	12.6	1,401	5,637	24.9
81	Borden	2,165	7,633	28.4	89	364	24.5	1,801	5,284	34.1
82	Kellogg	2,138	5,181	41.3	177	503	35.2	1,805	3,749	48.1
83	Halliburton	2,111[2]	6,926[2]	30.5	42[7]	200[7]	21.0	1,340	4,544	29.5
84	PPG Industries	2,063	6,021	34.3	126[7]	487[7]	25.9	2,044	6,108	33.5
85	Dresser Industries	2,048	4,480	45.7	59[7]	185[7]	31.9	1,095	3,309	33.1
86	Black & Decker	2,046	4,832	42.3	66	51	129.4	3,332	5,890	56.6
87	Ralston Purina	2,018	7,101	28.4	85	396	21.5	1,200	4,395	27.3
88	American Family	2,007	2,678	74.9	97	117	82.9	6,809	8,035	84.7
89	Honeywell	2,007	6,309	31.8	164	372	44.1	1,442	4,746	30.4
90	Deere & Co	2,002	7,762	25.8	47	411	11.4	2,005	10,660	18.8
91	Scott Paper[6]	1,984	5,821	34.1	59	148	39.9	2,420	7,085	34.2
92	Security Pacific	1,969	10,327	19.1	-333	161	D-P	14,078	84,731	16.6
93	Compaq Computer	1,941	3,599	53.9	234	455	51.4	792	2,718	29.1
94	RJR Nabisco	1,940	13,879	14.0	224[9]	-402[9]	P-D	2,775	32,915	8.4
95	Avon Products	1,932	3,454	55.9	109[7]	202[7]	54.0	822	2,059	39.9
96	Time Warner	1,889	11,517	16.4	-34	-227	15.0	2,776	25,337	11.0
97	Eli Lilly	1,876	5,192	36.1	386	1,127	34.3	2,126	7,143	29.8
98	Baxter International	1,855	8,100	22.9	92	40	230.0	1,684	8,517	19.8
99	Dana	1,837[8]	5,603[8]	32.8	77[8]	76[8]	101.3	1,038	4,513	23.0
100	American Cyanamid	1,808	4,570	39.6	138	98	140.8	1,383	5,092	27.2

[1]From continuing operations. [2]Includes other income. [3]Net income before corporate expense. [4]Average assets. [5]Includes excise taxes. [6]Includes proportionate interest in unconsolidated subsidiaries or affiliates. [7]Net income before minority interest. [8]Excludes Canadian operations. [9]Pretax income. [10]Operating profit. D-P: Deficit over profit. P-D: Profit over deficit. NA: Not available.

Foreign investing made a little easier

THESE DAYS AMERICAN INVESTORS can buy stock in a big foreign corporation such as Toyota Motor just as easily as they can purchase shares of a U.S. company such as Chrysler. The vehicle for such transactions is the American Depositary Receipt (ADR), which is a security that trades on U.S. exchanges, is priced in U.S. dollars and pays dividends, if any, in U.S. currency.

Liquidity? "If you are an investor concerned with the marketability of non-U.S. securities, consider the fact that in 1990 the listed ADR trading volume was 3.8 billion shares, an alltime high," says John A. Germinario, ADR sales manager for Citibank.

U.S. investors can now choose among ADRs for 880 foreign companies in 38 different countries. Approximately 200 of these are highly liquid issues—such as British Telecommunications, Glaxo Holdings and News Corp. Ltd.—and trade on the New York, American or Nasdaq markets. Last year $78 billion worth of these popular stocks were traded here.

Nearly 700 other ADRs trade over-the-counter. Some big foreign companies trade here—Heineken N.V., Nintendo and Volkswagen Group, for instance. Some firms prefer this arrangement because reporting and filing requirements are less stringent. Citibank's John Germinario estimates this second group of ADRs have a trading volume almost as large as the exchange-traded issues.

The U.K. has the most ADRs in the U.S., 198, followed by Australia and Japan. But as countries develop, their companies' securities, too, are becoming more evident here. Since 1990, for example, a handful of ADRs from Greece, Turkey and Korea have become available to U.S. investors.

There are two types of ADRs: sponsored and unsponsored. Sponsored ADRs have only one U.S. depositary bank (such as Citibank or Morgan Guaranty), which is appointed by the issuer. An unsponsored program may have more than one depositary bank, and there is no agreement between the banks and the foreign corporation clearly delineating rights and responsibilities. Hence there is somewhat more risk involved in unsponsored issues. Only companies with sponsored ADRs can raise equity capital in the U.S. Most sponsored and listed issues have the same reporting requirements as U.S. firms. There are now 386 sponsored ADRs, up from 60 in 1985.

Exch	Company/business	Country	ADR price ($US)	EPS 1990 ($)	EPS 1991E ($)	1990 P/E	Price/ cash flow	Yield (%)	Ordinary shares per ADR
q	•**Aegon Insurance Group**/insurance	Netherlands	62	9.76	8.03	6.3	NA	5.9	1.00
q	•**Akzo**/chemicals	Netherlands	29	4.10	3.80	7.1	3.3	5.7	0.50
a	**B. A. T Industries**/bev & tobacco	UK	12	0.43	0.88	28.0	21.1	6.0	1.00
n	•**Barclays Plc**/banking	UK	30	1.76	2.04	17.1	NA	6.4	4.00
o	**BASF Group**/chemicals	Germany	30	2.97	2.65	10.1	3.6	7.8	0.20
n	•**Bass Plc**/bev & tobacco	UK	17	2.54	1.56	6.6	6.0	4.5	1.00
o	**Bayer Group Worldwide**/chemicals	Germany	169	18.57	16.94	9.1	4.2	6.9	1.00
n	•**Benetton**/textile, apparel	Italy	15	1.18	1.35	12.4	10.6	2.7	2.00
n	•**BET Plc**/multi-industry	UK	12	1.33E	1.15	9.1	3.5	9.9	4.00
o	**Bridgestone Corp**/industrial comp	Japan	77	0.40	0.68	NM	9.3	1.4	10.00

Prices as of May 31. ADR prices have been rounded to nearest dollar. Because of conversion from ordinary shares to ADRs some of the ratios above may differ slightly from their counterparts listed elsewhere in this issue. a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter. q: Nasdaq. •Sponsored American Depositary Receipt. E: Estimate. NA: Not available. NM: Not meaningful. *Sources: Morgan Stanley Capital International Perspective; FORBES. Earnings estimates provided by the International Edition of the Institutional Brokers Estimate System (IBES).*

Exch	Company/business	Country	ADR price ($US)	EPS 1990 ($)	EPS 1991E ($)	1990 P/E	Price/ cash flow	Yield (%)	Ordinary shares per ADR
o	**Brierley Investments**/multi-industry	New Zealand	1	0.24	0.19	5.7	5.3	9.2	2.00
n	•**British Airways**/airlines	UK	29	3.51	1.70	8.3	3.2	6.9	10.00
n	•**British Gas Plc**/utilities	UK	43	5.91	5.26	7.3	9.4	6.6	10.00
n	•**British Petroleum Co**/energy	UK	68	6.71	3.87	10.1	5.3	6.5	12.00
n	•**British Steel Plc**/metals-steel	UK	22	1.78E	1.02	12.1	3.7	8.9	10.00
n	•**British Telecommunications**/telecomm	UK	65	5.36	6.11	12.1	6.0	4.9	10.00
n	•**Broken Hill Proprietary**/energy	Australia	38	2.28	2.74	16.6	7.6	3.3	4.00
o	•**BSN-Groupe**/food, household	France	31	2.04	2.04	15.0	9.0	2.2	0.20
n	•**Cable & Wireless**/tel comm	UK	26	1.54	1.83	16.9	10.4	2.8	3.00
q	•**Cadbury Schweppes**/food, household	UK	61	4.52	4.58	13.5	9.1	4.3	10.00
q	•**Canon**/leisure goods	Japan	55	2.84	3.09	19.2	8.1	0.8	5.00
q	•**Carlton Communications**/services	UK	15	1.46	1.19	10.6	7.2	4.1	2.00
o	**Casio Computer**/leisure goods	Japan	99	1.97	2.66	50.2	12.9	0.9	10.00
o	**Cathay Pacific Airways**/airlines	Hong Kong	5	0.67	0.64	8.2	5.6	4.9	5.00
o	**Cheung Kong**/real estate	Hong Kong	2	0.19	0.27	11.9	11.5	2.8	1.00
o	**China Light & Power**/utilities	Hong Kong	3	0.18	0.21	15.0	10.8	3.8	1.00
n	•**Coles Myer Ltd**/retailing	Australia	25	1.59	1.53	15.6	9.7	3.4	3.00
o	•**Continental Group**/industrial comp	Germany	22	1.37	0.83	15.8	3.5	3.3	0.20
o	**Daimler-Benz Group**/automobiles	Germany	437	29.65	28.24	14.7	5.2	2.5	1.00
o	**Deutsche Bank Group**/banking	Germany	390	35.03E	35.82	11.1	NA	3.2	1.00
q	•**Electrolux Group**/appliances	Sweden	42	1.89	2.03	22.1	4.0	4.8	1.00
n	•**Elf Aquitaine Group**/energy	France	126	15.90	13.53	7.9	3.8	4.2	2.00
q	•**LM Ericsson**/elec & electron	Sweden	31	2.78	2.40	11.3	8.6	1.8	1.00
o	•**Esselte AB**/services	Sweden	26	2.20	1.15	11.9	7.3	3.2	1.00
n	•**Fiat Group**/automobiles	Italy	23	2.78	1.32	8.3	3.2	6.2	5.00
q	•**Fisons**/personal care	UK	33	1.86	2.04	17.8	15.2	2.1	4.00
o	•**Fletcher Challenge**/forest products	New Zealand	22	3.78	2.62	5.9	3.9	7.0	10.00
o	**Fuji Heavy Industries**/automobiles	Japan	37	–10.51	–4.70	NM	NM	0.4	10.00
q	**Fuji Photo Film**/leisure goods	Japan	49	2.64	3.00	18.6	10.4	0.4	2.00
o	**Fujitsu Ltd**/data processing	Japan	41	1.62	1.93	25.3	7.4	0.8	5.00
q	•**Gambro AB**/personal care	Sweden	34	1.47	1.86	23.1	14.6	1.4	1.00
n	•**Glaxo Holdings Plc**/personal care	UK	40	1.73	1.94	23.0	18.7	2.7	2.00
o	•**Grand Metropolitan**/multi-industry	UK	26	2.17	2.21	12.1	9.4	3.7	2.00
o	•**Hafslund Nycomed**/personal care	Norway	32	2.27	2.31	14.1	10.9	0.8	1.00
n	•**Hanson Plc**/multi-industry	UK	19	1.72	1.70	10.9	8.9	5.5	5.00
o	•**Havas**/services	France	21	1.32	1.22	15.9	12.7	2.1	0.25
o	**Heineken NV**/bev & tobacco	Netherlands	82	6.26	6.44	13.1	5.7	2.2	1.00
n	•**Hitachi Ltd**/elec & electron	Japan	85	4.98	5.04	17.0	6.0	0.9	10.00
o	**Hoechst Group**/chemicals	Germany	79	8.97	7.75	8.9	4.0	7.3	0.50
n	•**Honda Motor Co Ltd**/automobiles	Japan	20	1.11	0.91	17.6	5.4	1.0	2.00
o	**Hutchison Whampoa Ltd**/multi-industry	Hong Kong	10	0.74	0.85	13.2	11.4	0.0	5.00
n	•**Imperial Chemical Industries**/chemicals	UK	88	6.28	4.96	14.0	9.2	5.7	4.00
q	•**Ito-Yokado Co Ltd**/retailing	Japan	126	4.74	4.94	26.6	16.7	0.5	4.00
o	**C Itoh & Co Ltd**/trading	Japan	50	1.78E	1.92	28.2	22.5	0.9	10.00
q	**Japan Air Lines**/airlines	Japan	17	0.14E	0.20	NM	14.2	0.4	2.00

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100 U.S.-TRADED FOREIGN STOCKS

Exch	Company/business	Country	ADR price ($US)	EPS 1990 ($)	EPS 1991E ($)	1990 P/E	Price/ cash flow	Yield (%)	Ordinary shares per ADR
o	**Kawasaki Steel Corp**/metals-steel	Japan	32	1.04E	0.91	30.6	NA	1.4	10.00
o	•**Keppel Corp**/machinery & eng	Singapore	9	0.34	0.40	26.0	19.9	0.7	2.00
q	**Kirin Brewery Co Ltd**/bev & tobacco	Japan	109	2.77	3.20	39.2	21.2	0.5	10.00
n	**KLM Royal Dutch Airlines***/airlines	Netherlands	14	1.66	–1.65	8.4	NM	6.6	1.00
o	•**Komatsu Ltd**/machinery & eng	Japan	128	4.38E	4.69	29.2	14.6	0.9	20.00
n	•**Kubota Corp**/machinery & eng	Japan	110	0.72	1.03	NM	38.3	0.7	20.00
n	•**Kyocera Corp**/electronic comp	Japan	93	2.46	3.01	37.7	24.4	0.7	2.00
o	**L'Oreal**/personal care	France	20	1.15	1.10	17.1	11.3	1.8	0.20
q	•**LVMH Group**/bev & tobacco	France	144	8.93	9.31	16.2	15.5	2.4	0.20
n	•**Matsushita Electric Industrial**/appliances	Japan	122	8.78	8.42	13.8	7.1	0.6	10.00
o	**Matsushita Electric Works**/elec & electron	Japan	119	3.52	4.29	33.7	18.6	0.7	10.00
o	**Mitsubishi Corp**/trading	Japan	91	2.89	3.47	31.5	17.8	0.6	10.00
o	•**Neptune Orient Lines**/shipping	Singapore	4	0.19	0.23	21.2	5.7	2.8	4.00
o	**Nestle**/food, household	Switzerland	181	13.32	13.68	13.6	8.3	2.2	0.03
n	•**News Corp Ltd**/media	Australia	14	0.97	1.16	14.5	4.4	1.1	2.00
o	•**Nintendo Co Ltd**/leisure goods	Japan	26	0.86	0.99	29.9	NA	0.3	0.25
q	**Nissan Motor Co Ltd**/automobiles	Japan	11	0.28	0.48	39.2	7.2	1.9	2.00
o	•**Oy Nokia Ab**/multi-industry	Finland	23	1.43	1.38	16.2	6.1	2.9	1.00
n	•**Norsk Hydro**/energy	Norway	30	2.25	2.04	13.4	5.6	2.1	1.00
n	•**Novo Nordisk B**/personal care	Denmark	66	3.89	4.06	17.0	10.7	0.9	1.00
q	•**Pacific Dunlop Ltd**/multi-industry	Australia	16	1.30	1.00	12.5	9.5	3.9	4.00
o	•**Petrofina SA**/energy	Belgium	33	2.87	2.73	11.4	5.7	4.8	0.10
o	**Peugeot Groupe SA**/automobiles	France	20	6.79	3.66	3.0	1.9	4.0	0.20
n	•**Philips Group**/appliances	Netherlands	16	–8.40	0.86	NM	NM	0.0	1.00
n	•**Pioneer Electronic Corp**/appliances	Japan	29	1.35	1.41	21.3	12.9	0.6	1.00
n	•**Racal Telecomm**/telecomm	UK	65	1.94	3.23	33.7	21.3	1.5	10.00
q	•**Rank Organisation**/leisure	UK	12	1.21	0.98	9.8	7.6	5.9	1.00
o	•**Reed International Plc**/media	UK	27	2.46	2.11	10.9	9.8	0.0	4.00
q	•**Reuters Holdings**/services	UK	43	2.68	2.60	16.0	10.2	2.4	3.00
o	•**Royal Nedlloyd Group**/shipping	Netherlands	55	–8.48	–2.41	NM	4.8	0.0	2.00
o	**Sekisui House Ltd**/construction	Japan	109	4.97	6.21	21.8	19.0	1.2	10.00
o	**Siemens Group**/elec & electron	Germany	75	5.20	5.02	14.4	6.1	3.1	0.20
q	•**SKF Group**/industrial comp	Sweden	17	1.02	0.74	16.5	6.7	4.1	1.00
n	•**SmithKline Beecham Plc**/personal care	UK	68	3.39	3.99	20.2	15.1	12.4	5.00
n	•**Sony Corp**/appliances	Japan	46	2.44	2.45	18.7	7.6	0.8	1.00
o	**Sumitomo Bank Ltd**/banking	Japan	179	3.26	3.34	55.0	NA	0.3	10.00
o	**Swire Pacific**/multi-industry	Hong Kong	5	0.39	0.46	12.2	7.0	4.3	2.00
n	•**Telefonica**/telecomm	Spain	28	5.24	2.42	5.4	2.8	5.4	3.00
o	**Thyssen Group**/metals-steel	Germany	32	4.58	3.32	6.9	3.3	7.1	0.25
q	•**Tokio Marine & Fire Insurance**/insurance	Japan	49	0.85	0.97	57.4	NA	0.6	5.00
q	**Toyota Motor Corp**/automobiles	Japan	26	1.78	1.63	14.6	7.8	1.1	2.00
n	•**Unilever Plc**/food, household	UK	52	4.21	4.21	12.4	9.1	3.2	4.00
o	•**Volkswagen Group**/automobiles	Germany	45	4.60E	3.61	9.8	3.0	4.4	0.20
q	•**Volvo AB**/automobiles	Sweden	55	9.58	2.03	5.8	17.8	4.5	1.00
o	•**Wellcome Plc**/personal care	UK	10	0.38	0.46	25.8	19.8	0.0	1.00

Prices as of May 31. ADR prices have been rounded to nearest dollar. Because of conversion from ordinary shares to ADRs some of the ratios above may differ slightly from their counterparts listed elsewhere in this issue. a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter. q: Nasdaq. •Sponsored American Depositary Receipt. *New York Registered Shares. E: Estimate. NA: Not available. NM: Not meaningful. *Sources: Morgan Stanley Capital International Perspective; Forbes. Earnings estimates provided by the International Edition of the Institutional Brokers Estimate System (IBES).*

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

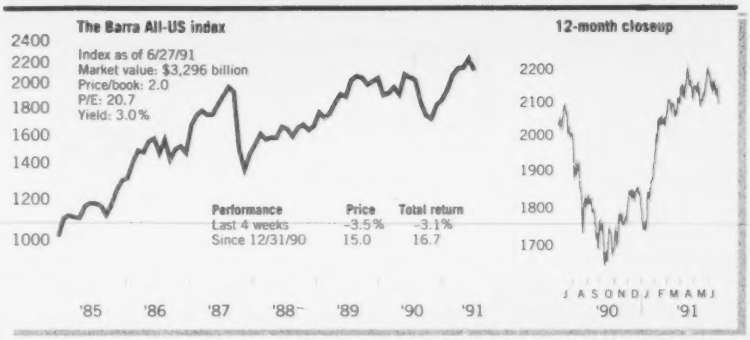
With this issue we introduce a market page produced in cooperation with Barra, Inc., a portfolio manager's consultant in Berkeley, Calif. The Barra All-US Index, a weighted average index of roughly 5,000 stocks, replaces the Wilshire 5000 that FORBES has tracked since 1981.

Barra, founded in 1975 by portfolio theorist Barr Rosenberg (he sold the firm in 1981), takes statistical analysis a step beyond where Wall Street leaves off. In figuring the performance of different industry sectors, for instance *(see table)*, Barra allocates stocks to multiple industries. During the two weeks ended June 27, the tobacco industry was the best-performing group. But only about half of diversified tobacco giant Philip Morris' price performance was attributable to tobacco. According to the Barra model, the price change of Philip Morris was also influenced by three other industries.

Special focus

Is the S&P 500 advantage over? During the 1980s, according to Barra, membership in the S&P 500 had an average annual extra return of 3.5%. But as early as 1988, the big-company advantage was faltering; being in the S&P cost you 4.7%. Apart from size, the 500 stocks had in their favor the fact that many billions of dollars in index funds were tied to them. But now other benchmarks are being used for indexing purposes.

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from record high
Barra All-US index	-2.3 %	4.9 %	-4.3 %
Sharpe/Barra Growth index[1]	-0.2	9.9	-4.2
Sharpe/Barra Value index[2]	-1.3	7.0	-3.9
Dow Jones industrials	-2.2	2.5	-3.3
S&P 500	-2.1	5.4	-4.1
NYSE	-2.1	5.7	-3.9
Nasdaq	-3.8	4.2	-6.9
Amex	-2.2	0.7	-3.7
EAFE[3]	-1.6	-11.7	-23.4
CRB index[4,5]	-2.3	-10.9	-37.8
Gold[5]	-0.8	3.3	NA
Yen[5]	0.3	-10.0	NA
Oil[5]	4.1	19.5	NA

The best and worst performing stocks[6]

Best	Price	2-week change	1991 Eps[7]	Worst	Price	2-week change	1991 Eps[7]
South Carolina National	30 ½	35%	$2.37	Columbia Gas System	18¼	-50%	$1.99
Fieldcrest Cannon	14 ¼	25	0.23	Surgical Laser Tech	6¼	-49	0.52
LaserMaster Technologies	7 ¾	24	-0.20	Eljer Industries	13⅛	-44	0.45
SciMed Life Systems	64	24	2.33	Archive	4¼	-35	0.55
Carolco Pictures	9 ¼	23	0.89	ICF International	10¾	-32	0.82

The best and worst industry factors[8]

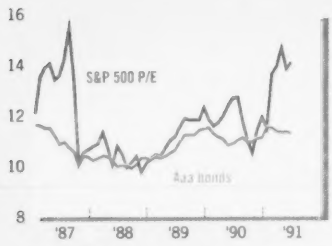
Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Tobacco	3.2%	33.2%	Real estate	-5.7%	20.6%
Aluminum	3.1	11.7	Trucking/freight	-4.6	21.2
Aerospace	2.8	11.8	Thrift institutions	-4.6	11.6
Motor vehicles	1.3	25.4	Pollution control	-4.3	-0.5
Agriculture/food	0.9	18.2	Gas utilities	-4.1	0.6

Note: Data for period ending 6/27/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of a portfolio of more than 300 large capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Institutional Brokers Estimate System, from Lynch, Jones & Ryan. [8] Shows total return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more total groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

WHAT THE ANALYSTS THINK

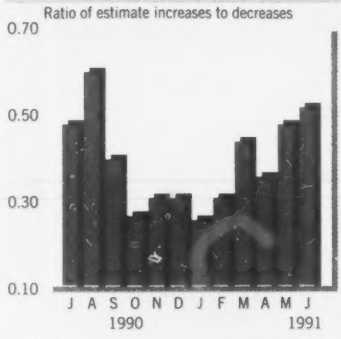
BY STEVEN RAMOS

S&P 500 P/E* vs. Aaa bonds†



*S&P 500 P/E is the recent price of the S&P 500 divided by estimated earnings over the next 12 months. †Projected price-to-coupon ratio for Moody's Aaa corporate bond index.

S&P 500 companies



Forecasting the S&P 500

Year	Estimated P/E	% change current vs. 3 months ago	Expected year-to-year EPS growth
1990	15.5	NA	-7%
1991	14.4	-7%	2
1992	12.3	-3	24

1991 estimates for industry groups

Rising estimates	Falling estimates
financial svcs	airlines
oil-integrated	steel
retail-apparel	automobiles
electronics	heavy trucks, parts
retail stores	leisure time

Analysts are more optimistic about corporate profits than they were at the end of March. Since the end of the first quarter, the Institutional Brokers Estimate System S&P 500 revisions index, which measures the ratio of estimate increases to decreases on the S&P 500, has moved up approximately 19%. "Regardless of what the newspapers said, reported earnings for the first quarter came in slightly above analyst expectations," says IBES Vice President Rick Pucci. Pucci predicts that second-quarter earnings will also be slightly better than expected.

What will the rest of 1991 be like? Not spectacular. Analysts expect only a 2% increase in profits for the S&P 500 over the 1990 total of $23.83. Meanwhile, Wall Street is still cutting forecasts for the automobile and airline industries—two groups that are often a barometer of recovery. But for 1992, analysts are looking for a recovery, with profits up 24% over 1991. Based on that jump, the S&P 500 is currently selling at 12.3 times projected 1992 earnings. If this rosy forecast holds, it would be one of the best year-to-year gains since the end of World War II.

Who's hot

Greatest increase in estimates over the past three months

Company/industry	1990 EPS	1991 estimate recent	1991 estimate 3-month change	P/E	3-month price change	Reason
Merrill Lynch/securities brokerage	$1.59	$4.38	137%	9	25%	Higher commission revenue and underwriting fees
Data General/computers	-2.27	1.78	125	9	20	Growing sales of its Aviion line of computers
Valley National/banking	0.38	1.40	87	17	30	Improved credit quality and expanded deposits
US Healthcare/healthcare svcs	1.08	1.90	32	17	14	Increased enrollments and higher rates
Amgen/biotech	1.85	3.25	30	36	-6	Higher sales of new drugs Neupogen and Epogen

Who's not

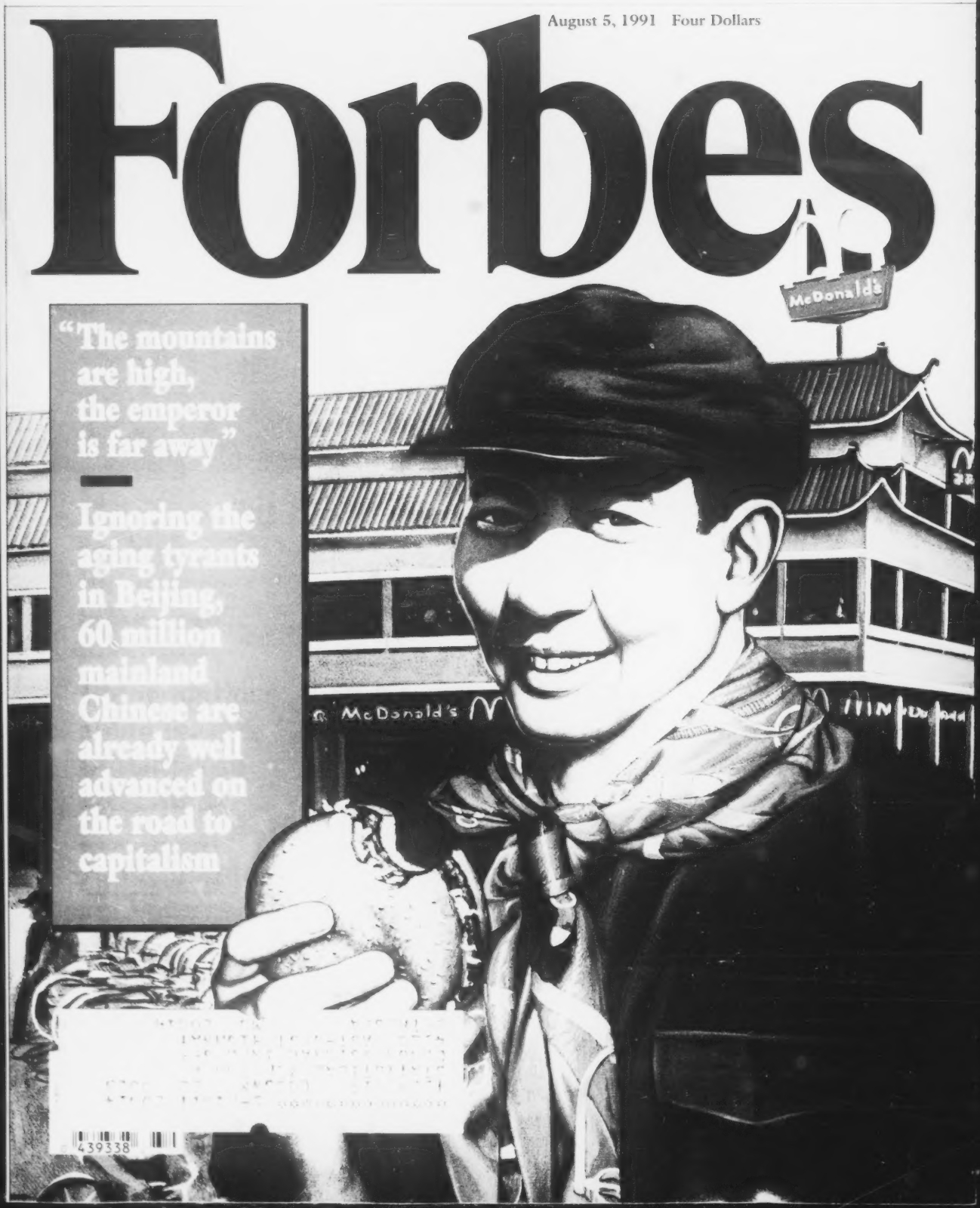
Greatest decrease in estimates over the past three months

Company/industry	1990 EPS	1991 estimate recent	1991 estimate 3-month change	P/E	3-month price change	Reason
AMR/airlines	$-0.66	$0.93	-56%	65	10%	Deep fare discounting
BF Goodrich/chemical	3.25	1.27	-55	31	-6	Lower chemical prices hurt profits
Compaq Computer/computers	4.93	2.62	-55	12	-47	Rising dollar and slowdown in orders from computer dealers
Bank of New York/banking	3.98	1.74	-52	16	8	Increased loan loss reserves
Tenneco/gas utilities	4.37	2.15	-49	19	-13	Production cuts and discounting at JI Case subsidiary

Note: Companies listed have a market capitalization of $100 million or more. Earnings projections are Wall Street consensus estimates data from 3,000 security analysts compiled by the Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan Investment Services. Aaa bond yield forecasts supplied by Blue Chip Economic Advisors. NA: Not available. NM: Not meaningful.

August 5, 1991 Four Dollars

Forbes



"The mountains are high, the emperor is far away"

—

Ignoring the aging tyrants in Beijing, 60 million mainland Chinese are already well advanced on the road to capitalism

439338

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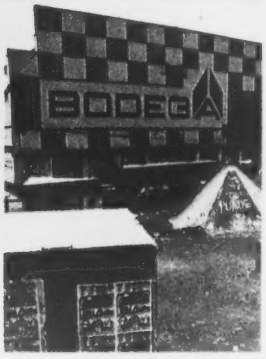

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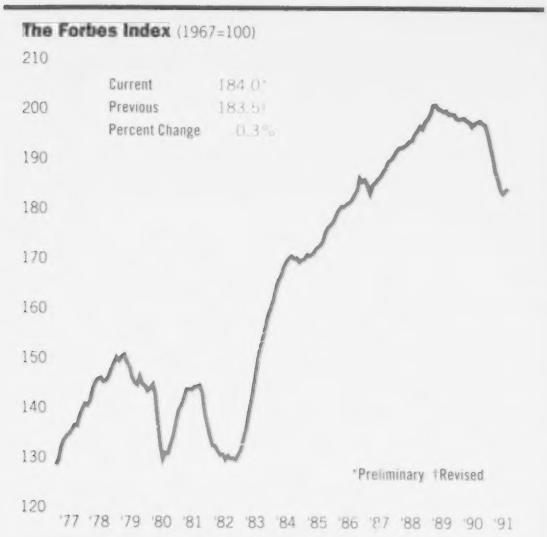
THE FORBES INDEX

BY TIMOTHY DODMAN



How solid is the recovery? Recent data give conflicting signals. Auto sales rose 1.1% in June, but showroom activity was not strong enough to pull up the entire retail sector. Overall June retail sales were off 0.2% following a downward revision in the May total. Meanwhile, strength appears to be developing in the manufacturing sector. Industrial production posted its third consecutive monthly gain, with a 0.7% increase in June. And U.S. mines, factories and utilities operated at 79.3% of total capacity—the highest level since January.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-12.7%
Index of leading indicators May vs Apr	Dept of Commerce	0.8%
Trade balance 12 months ended Apr 1991	Dept of Commerce	-$89 bil
All-commodity producer price index June vs May[2]	Dept of Labor	-0.2%
GNP 1st quarter vs. 4th—annualized growth	Dept of Commerce	-2.8%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	1.0%

[1] U.S.-based manufacturers, excludes imports, as of 6/30/91. [2] Wholesale goods. [3] May 1991.

Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

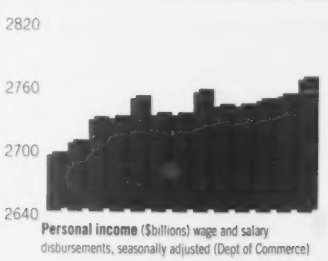
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

M J J A S O N D J F M A M J

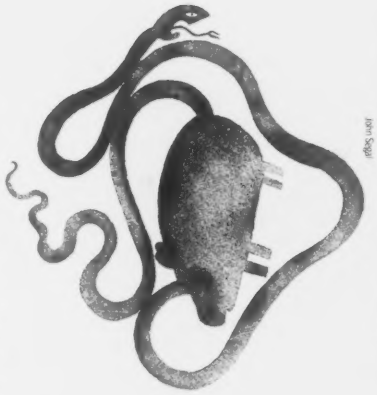
M J J A S O N D J F M A M J

M J J A S O N D J F M A M J

As quick cures for banking's woes, mergers don't work. They take time, skill and luck—as shareholders will discover when the proposed Manufacturers/Chemical "merger of equals" goes through.

Dangerous medicine

By Tatiana Pouschine



A LOT OF PEOPLE think mergers are the cure for what ails the nation's banks. The boards of Manufacturers Hanover and Chemical Banking are apparently among the believers, having just announced their intention to combine the two money center banks. The believers are not a lonely group. In late June Wachovia Corp. announced an agreement to purchase South Carolina National Corp. for $835 million in stock. At about the same time, NCNB began merger discussions with Virginia-based C&S/Sovran. In April Fleet/Norstar and Kohlberg Kravis Roberts took over the Bank of New England's assets. Rumors continue to swirl around other big banks.

In theory, bank mergers diversify assets, increase market share and allow for economies of scale. That's in theory. In practice, the road to merger is strewn with roadblocks and wreckage. Bad loans suddenly surface in the pool of acquired assets. Economies of scale often prove illusory or very expensive.

The proposed Chemical/Manufacturers combine will put the merger theory to one of its toughest tests. With duplicate branches throughout the New York metropolitan area, the expanded Chemical Banking will have to close 80 New York branches. It will have to mesh different computer systems and manage the expense of eliminating 6,200 positions. While doing all this, the merged bank's management will have to be careful that customers, annoyed at the upheaval, don't depart to rival banks.

The planned merger of Manufacturers and Chemical has avoided one problem that has plagued bank mergers: Expectation of merger savings is often built into the price paid by the acquiring bank. By treating this merger as a pooling and basing the share exchange on relative market prices, the Chemical/Manufacturers merger plan avoids giving shareholders of either bank a premium over book value. Such premiums have proved costly to acquiring banks.

From 1985 to the present, banks have paid on average 1.5 to 2 times book value to acquire other banks, basing the premium over book on the expected savings and on the supposed value of the acquired franchise.

But can a bank really be worth much more than book value? Some skeptical investors doubt it. After all, loans are never paid off at more than 100 cents on the dollar and are often paid off at much less. As for the value of the franchise, this has been greatly lessened by the increase in competition from outside the traditional banking system: commercial paper and money market mutual funds and outfits like GE Credit, Sears and Ford Motor Credit.

While avoiding the problem of paying a premium, the Chemical/Manufacturers proposal raises another question: Are the banks in equally sound condition? The merger terms assume they are, since the distribution of stock between shareholders of the two banks is in rough approximation to the common equity capital each is contributing. But some analysts think Manufacturers has not recognized bad debts as assiduously as Chemical has. For example, Manufacturers has a $4.4 billion exposure in loans to less-developed countries against which it has reserved 51%. Chemical has reserved 77% against a less-developed-country loan total one-third the size of Manufacturers'. On loans for highly leveraged takeovers, Manufacturers has reported a 13% nonperformance rate, while Chemical's nonperformance rate on these loans is only 5%. This much is undeniable: On the day the merger was announced, Manufacturers' shares jumped twice as much as Chemical's, suggesting that the market felt Manufacturers was getting a good deal.

All this is not to say that bank mergers are no good. Wells Fargo's purchase of the Crocker bank for $1.1 billion in 1986 worked out beautifully. Why? Because the price was right: Carl Reichardt, Wells Fargo's chief executive, acquired Crocker for close to net asset value. He then cut costs ruthlessly. Wells Fargo's noninterest expense, as a percentage of revenues, was 53% last year, down from 62% in 1986.

Chemical Banking Corp.'s takeover in 1987 of Texas Commerce Bancshares and its $17 billion of assets did not go so smoothly. Walter Shipley, Chemical's chief executive, paid roughly book value in a cash and stock transaction valued at $1.1 billion. That seemed cheap enough, but it was probably too high. In less than two years Texas Commerce's cumulative losses mounted close to $500 million.

Chemical earned $100 million in Texas last year, but the merger is still in the red on a cumulative basis and the return on Chemical's investment after four years is zero to date.

Chemical had yet another bad ex-

Do bank acquisitions pay off?

Acquiring bank	Price/book 1985	Price/book recent	Return on assets 1985	Return on assets 1990	Overhead ratio[1] 1985	Overhead ratio[1] 1990
Money centers						
Bank of New York	1.2	0.8	0.70%	0.68%	52.8%	61.1%
Chemical Bank	0.9	0.6	0.68	0.40	62.3	73.6
Regional						
Bank One	2.4	1.2	1.20	1.40	53.0	56.0
Bank of New England	1.4	NA	0.90	NA	61.7	NA
Citizens & Southern	2.4	NA	1.03	NA	NA	NA
Sovran	1.5	NA	1.03	NA	NA	NA
C&S/Sovran[2]	NA	0.9	NA	0.45	63.4	67.3
CoreState Financial	1.4	1.7	0.87	0.48	60.6	64.6
First Union	1.5	1.0	1.05	0.75	56.7	64.5
Fleet/Norstar	1.7[3]	1.4	1.15	def	55.2	64.2
NCNB	1.9	1.3	0.83	0.56	57.8	68.2
PNC Financial	1.6	1.3	1.00	0.16	55.9	58.6
SunTrust	2.1	1.7	0.86	1.05	63.3	61.7
Wachovia	1.9	1.8	1.01	1.13	55.9	57.7
Wells Fargo	1.0	1.2	0.65	1.14	58.7	52.9
Average of acquirers	1.6	1.3	0.94	0.75		
Average: U.S. banks			0.70	0.50		
money centers	1.0	1.0				
regional	0.9	1.3				

[1]Noninterest expense as a percentage of revenues. [2]C&S merged with Sovran in 1990, forming C&S/Sovran. [3]Figure is for Fleet, prior to 1988 merger. NA: Not applicable. def: Deficit. *Sources: Standard & Poor's for average market to book value comparisons; FDIC for data on ROA comparison for U.S. bank averages.*

If the past repeats, bank acquisitions will deliver less than promised. Market multiples for the average bank have stayed even or gone up since 1985. Just before the Chemical/Manufacturers announcement, only 2 among the acquirers were trading at higher multiples than in 1985. All but 2 showed above-average returns in 1985; in 1990, 5 out of 11 operated below national averages.

perience. In May 1986 it offered to buy Horizon Bancorp, the fifth-largest bank holding company in New Jersey, for $660 million in cash. That was roughly 2½ times book. Again, Chemical got more bad loans than it had bargained for.

Chemical is not alone in experiencing painful mergers. In 1985 Trust Co. merged with Sun Bank Inc. in Florida to form SunTrust. A year later SunTrust bought Tennessee-based Third National Bank Corp. From $6 billion in 1984, the merged entity's assets jumped to $33.4 billion. Since the mergers, SunTrust's nonperforming loans rose to 3% of total loans, up from 0.83% at the end of 1986. A good portion of the problem loans are for real estate in Tennessee, the result of the third acquisition.

Many other banks have experienced the difficulty of evaluating a large pool of assets in a relatively short period of time. First Union Corp. had to charge off an unexpected $60 million in bad loans after its acquisition of First Railroad & Banking Co. of Georgia in 1986.

That's why it's so important not to overpay: Too many surprises are possible. NCNB avoided that problem when it bought the failed First Republic Banks of Texas from the FDIC, getting roughly $20 billion in assets with little risk because the FDIC agreed to swallow the bad loans.

The deal worked out well for NCNB. In 1990 it earned over $300 million on its $1.3 billion investment, but only because the government agency took roughly one-quarter, or $6 billion, of First Republic's weakest assets. Without the government bailout of First Republic, NCNB would have had to absorb $1.5 billion in losses related to First Republic between the end of 1988 and 1990.

Even then NCNB was somewhat lucky. The FDIC protection extended on the acquired portfolio to greater or lesser degrees only through 1990. If the Texas economy hadn't started to rebound late last year, it is possible that many more of those assets would have turned into problems and the government wouldn't have been there to help. This point is worth remembering for banks doing mergers in the Northeast, where a real turnaround in the economy may be many years in the future.

The danger of finding booby traps in an acquired bank's portfolio aside, those vaunted merger savings are harder to come by than a lot of people think. "Due diligence," says Standard & Poor's bank rating analyst Tanya Azarchs, "is a very tricky thing." First Republic, acquired by NCNB, was itself a product of a giant merger that was supposed to yield tremendous savings but fell short of expectations.

In the Chemical/Manufacturers deal, it is stated that the new Chemical will be able to cut $650 million a year—about $4 a share on the new stock before taxes—by cutting overhead. But this will take time—and luck: Only two banks involved in major mergers between 1985 and 1990 show improved operating productivity as measured by ratio of noninterest expenses to revenues *(see table)*.

Why? To cut costs, a bank has to buy out dismissed employees and get rid of surplus office space. Even efficiently run First Wachovia took four years to integrate First Atlanta's system into its own.

Or take First Union Corp., which more than doubled in size to $41 billion last year from $17 billion in 1985. It took First Union three years to convert First Railroad & Banking's 18 separate banks and 154 branches to one new system. In the meantime, disgruntled customers were walking their deposits out the door. At the end of 1985 First Union's noninterest expenses were running at 57% of its revenues; in 1990, when the merger was four years old, they had gone up to 65%. Savings?

Bank mergers do make good sense in a nation that has 15,000 banks, many of them competing furiously with nonbanks with far lower costs. That's why the Federal Deposit Insurance Corp. encourages them, and why the Chemical/Manufacturers union will undoubtedly receive federal blessing. But the mergers make sense only when the price is right—meaning cheap. Banks should learn from junk bond buyers. Junk bonds have been good buys recently, but only if the price is right.

Having disappointed even its most ardent fans, gold is attracting attention again. One way to play is through shares of the South African companies listed below.

Fire insurance?

By Steve Kichen and Warren Midgett

Louie Gubb/IB Pictures

Refining South African gold
"To its ultimate credit, gold is a monetary outcast. It doesn't go to the G-7 meetings."

SINCE PRESIDENT BUSH lifted sanctions against South Africa last month, Harry Schwarz, South Africa's ambassador to the U.S., reports that there has been a surge of interest in South African issues from investors in the U.S., Europe and Johannesburg. Historically, most of the interest has been focused on South Africa's big gold mining companies.

As the table shows, the shares of these mining firms and conglomerates with substantial mining interests are not particularly cheap on the basis of price/earnings ratios, but you don't buy these shares for earnings. Wesley A. Stanger Jr., chairman of ASA Ltd., the closed-end fund that specializes in gold stocks, explains: "The P/Es don't mean a darn thing. The trick is how much gold you are going to get out, and at what price."

In other words, you pay for the probable eventual value of the gold still in the ground, which is partly determined by the cost of getting it out and partly by the world price of gold. For example, Stanger points out that Stilfontein Gold Mining Co. recently shut its mine because it could no longer profitably mine gold, given the current world price ($368 an ounce) and the company's high cost of extraction. By contrast, says Stanger, the nine companies listed in the table all have adequate reserves that can be economically mined even at today's world price.

Note that some of the companies offer attractive dividend yields—a kind of payment while waiting for gold to recover. But Stanger eyes the high yields cautiously. "The better mines have lower yields, the dogs are paying out their last nickel," counsels Stanger, whose favorite South African stock is Sir Harry Oppenheimer's big Anglo American Corp. of South Africa Ltd. This holding company's yield is just 2.7%.

Gold has been a poor hedge this year, following the crisis in the Persian Gulf, and has disappointed even its staunchest supporters in recent years. But trends change when people least expect them to. James Grant, of *Grant's Interest Rate Observer*, has turned bullish on gold because it represents a haven from the excesses of the 1980s. Says Grant: "To its ultimate credit, gold is a monetary outcast. It doesn't go to the G-7 meetings."

ASA's Stanger is optimistic about the price of gold because he thinks the world is heading toward economic trouble. Says he: "We see this morning, for example, that Mutual Benefit Life has troubles. If you look around the world, you see it is on fire, and the fire is not going out."

Gold, fingered

Company	Recent price	—Estimated EPS— 1991	1992	P/E 1991 estimated	Yield
Anglo American	$37.84	$3.07	NA	12	2.7%
Anglo American Gold Inv	77.10	2.97	NA	26	3.2
Driefontein Consol	13.48	0.46	$0.49	29	4.4
Gencor	4.50	0.37	0.37	12	3.9
Johannesburg Consol	16.90	1.02	1.18	17	3.3
Kloof	11.22	0.15	0.33	75	3.2
Southvaal Holdings	34.13	1.10	1.40	31	4.0
Vaal Reefs	77.26	3.23	3.92	24	5.7
Western Deep Levels	42.18	0.92	1.19	46	3.1

NA: Not available.
Source: The International Summary of the Institutional Brokers Estimate System via Randall-Helms DataScreen II.

In an uncertain world, there's something to be said for holding some gold-related investments. These South African gold mining firms (or industrial holding companies with significant interests in gold) are producing a lot of the yellow metal.

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

The market may be good, but it is not cheap. The Barra All-US index of over 5,000 stocks is selling for nearly 21 times latest 12-month earnings. (Unlike some other widely published market indicators, the P/E of this index includes negative earnings.) Wall Street is obviously counting on optimistic earnings forecasts for 1992 to sustain current share prices. The Institutional Brokers Estimate System is expecting a 24% profit increase for the S&P 500 in 1992. If these projections turn out to be widely off base, it is unlikely the market will keep on flirting with new highs.

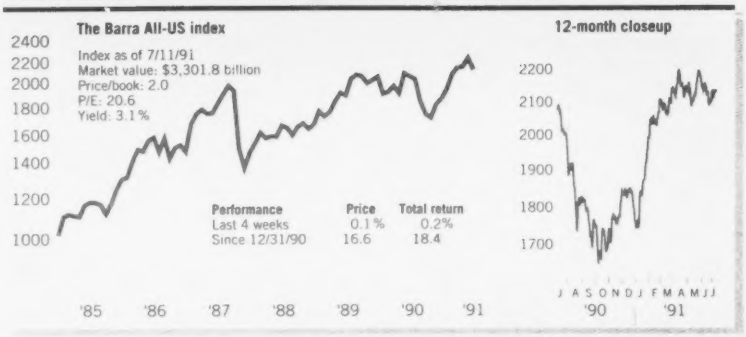
Over the last year the S&P 500 has a total return (including reinvested dividends) of 8%. But the Sharpe/Barra Growth index—big stocks with high earnings growth in the past and expected high growth in the future—has a 10% total return. In a rallying market, such growth stocks often lead the rest of the pack.

Special focus

"If the U.S. sneezes, Zimbabwe doesn't necessarily catch a cold," says Paul Melton, editor of Amsterdam-based *The Outside Analyst*. His point: performance of emerging markets is not highly correlated with developed markets. His favorites? Hong Kong and the Philippines. A recent Barra study found that a 10% inclusion of emerging market stocks in a portfolio of U.S. stocks and bonds would have increased returns and lowered risk.

Risk versus reward (1986-1991)

The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	1.4%	4.3%	-2.9%
Sharpe/Barra Growth index[1]	1.7	10.1	-2.2
Sharpe/Barra Value index[2]	0.2	8.1	-2.8
Dow Jones industrials	0.8	0.9	-2.5
S&P 500	0.7	4.4	-3.5
NYSE	0.8	4.8	-3.1
Nasdaq	2.5	5.3	-4.5
Amex	0.7	0.7	-3.1
EAFE[3]	-1.2	-14.8	-24.7
CRB index[4,5]	-2.0	-11.8	-24.3
Gold[5]	0.4	4.0	-26.7
Yen[5]	0.6	-6.8	-15.4
Oil[5]	-4.9	16.0	-52.6

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Ashton-Tate	16	52%	$0.52	EMC Corp	7 1/2	-27%	$0.85
Craig	20 5/8	38	1.60	Riggs National	6 1/2	-20	-0.90
Cray Computer	12 1/8	32	-2.39	HON Industries	14 3/4	-17	0.96
Cirrus Logic	20	29	1.41	First Interstate Bancorp	27 5/8	-16	3.08
Filene's Basement	23 3/4	28	0.74	New Jersey Steel	11 3/4	-16	0.18

The best and worst performing industry factors[8]

Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Tobacco	6.5%	42.4%	Consumer durables	-4.4%	18.8%
Aerospace	4.3	16.6	Oil service	-3.1	-7.0
Business machines	3.7	17.7	Coal & uranium	-2.6	-5.4
Media	3.4	8.4	Life insurance	-2.4	13.5
Pollution control	3.3	2.8	Water transport	-2.0	13.9

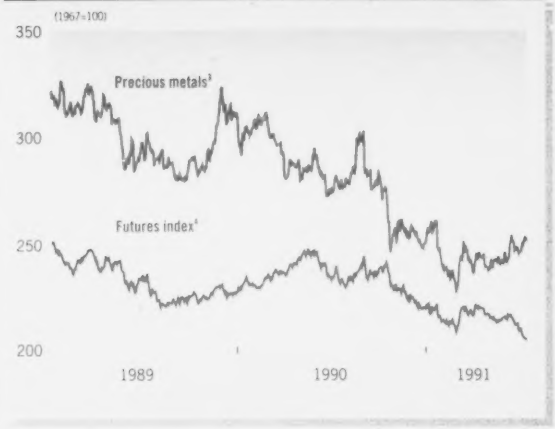
Note: Data for period ending 7/11/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of a portfolio of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Institutional Brokers Estimate System, from Lynch, Jones & Ryan. [8] Shows total return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. Principal source: Barra, Inc., Berkeley, Calif.

COMMODITIES REVIEW

BY ERIC S. HARDY

CRB Spot indexes

CRB Futures indexes



The Commodity Research Bureau Futures Index is off more than 12% from a year ago, but that decline is modest compared with the more pronounced drops in several components of this index. The coffee and cocoa group is off 19% for the 12 months through June, the grain group off an average 17%. The sharpest decline is in the oilseed (soybeans and linseed) group, which lost 25%. Although September crude oil futures gained 8.5% over the last three months, petroleum prices stand a good chance of declining: Domestic inventories are higher than they were this time last year, and consumption remains sluggish. Even gasoline prices, which should now be experiencing peak seasonal demand, have been weak. This weakness in commodities prices has to a degree counteracted inflation in the service sector (doctor bills, for instance). The Consumer Price Index for services is up 5.4% over May 1990 while the overall Index is up 5.0% over May 1990.

C.J. Lawrence chief economist Edward Yardeni is confident that the downward trend in the commodity futures index will eventually mean a slowdown in price increases at the retail level. Yardeni expects consumer prices to rise only about 3% throughout 1991. "It is somewhat unusual to see the economy start recovering while commodity prices are still falling," adds Yardeni. "The pessimists are saying this means the recovery is only a mirage, but I believe it's legitimate because I see improving sales and declining inventories." Low prices and high output would be the best of all possible worlds.

Commodity spotlight

September corn[5] ($ per bushel)

According to a recent report from the U.S. Department of Agriculture, more corn was planted this year than was originally thought, and existing inventories are fairly high. An expected reduction in corn exports to the Soviet Union also drove down corn prices. But the market rallied somewhat with news that weather may deteriorate later this summer.

Cash and futures prices

Spot indexes

Index[6]	Value	3-mo change
All commodities	240.92	-6%
Raw industrials	280.14	-5
Metals	243.62	-8
Textiles	257.27	-2
Foodstuffs	193.61	-8

Futures indexes

Index[6]	Value	3-mo change
CRB index	206.18	-7%
Precious metals	251.84	2
Industrials	235.93	0
Grains	166.16	-10
Livestock & meat	197.82	-15

Spot commodity prices

Index	Price	3-mo change
Steel scrap (short ton)	$89.00	-9%
Copper scrap (pound)	0.82	-8
Print cloth (sq yard)	0.85	5
Corn (bushel)	2.21	-11
Soybean oil (pound)	0.18	-15

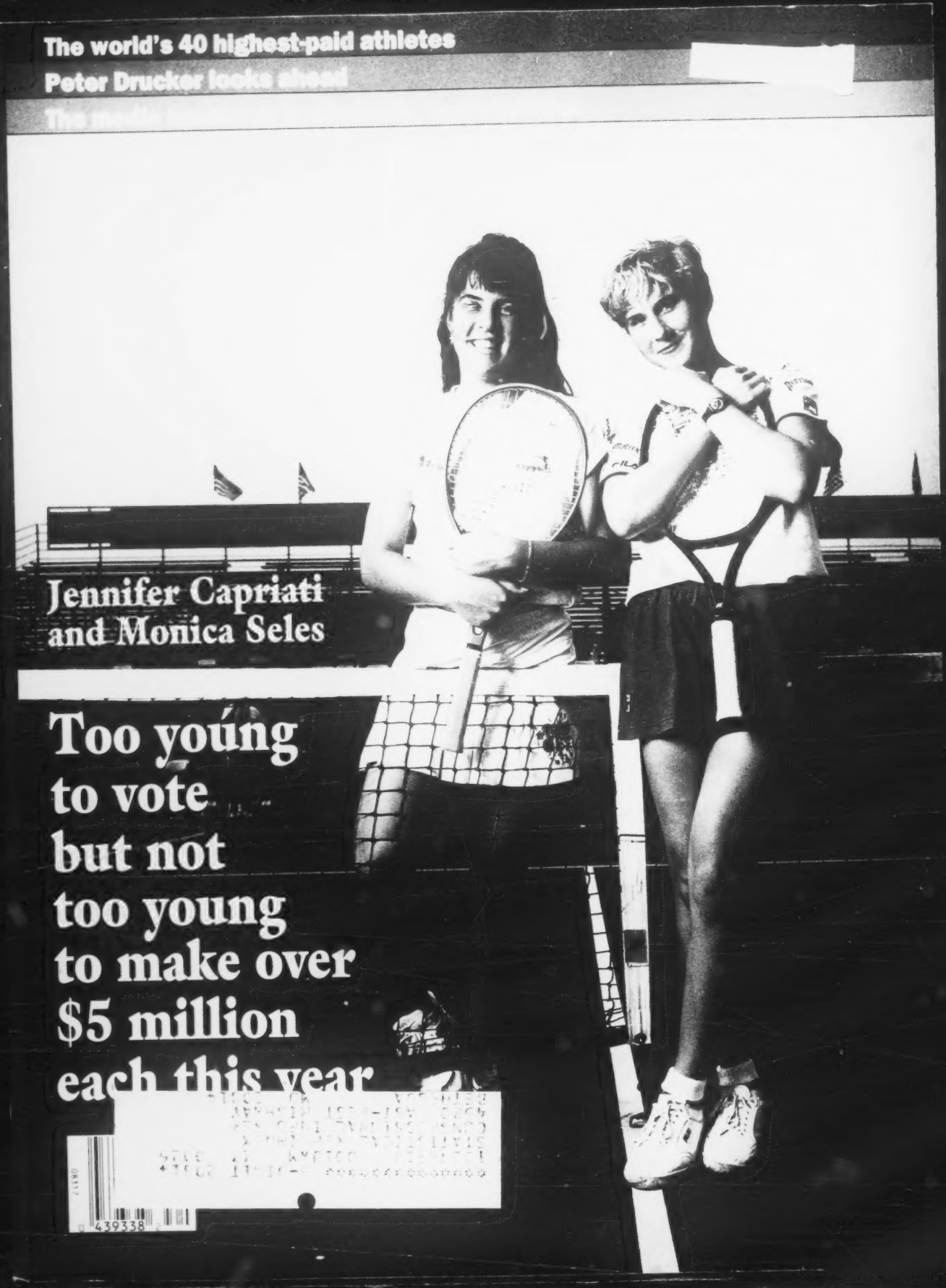
Futures prices

Index	Price	3-mo change
Oct platinum (troy oz)	$387.90	-6%
Sept crude oil (barrel)	21.17	9
Sept copper (pound)	1.01	-4
Oct cotton (pound)	0.71	-5
Sept Chi wheat (bushel)	2.64	-12

Note: All prices as of 7/9/91. [1]Composed of 13 commodities. [2]Composed of the 13 raw industrial commodities plus 10 foodstuffs. [3]Gold, platinum and silver. [4]Composed of 21 commodities. [5]Prices from 4/9/91 through 7/9/91. [6]Base for spot and futures indexes (1967=100). Source: Knight-Ridder Commodity Research Bureau.

The world's 40 highest-paid athletes

Peter Drucker looks ahead



Jennifer Capriati and Monica Seles

Too young to vote but not too young to make over $5 million each this year

Forbes
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Weird science

SIR: Re the cover story "Junk science in the courtroom" *(July 8)*. FORBES didn't mention another legal arena where junk science occurs (with little or no challenge as to its scientific validity). In workers' compensation cases where there are psychological injuries, psychiatric evidence can be introduced whether or not it meets legal standards of evidence and proof. Injured workers can find themselves "accused and convicted" of having a pre-existing psychiatric disorder even though they have no psychiatric history, nor is there any research that demonstrates that psychiatrists or psychologists can make valid diagnoses of past conditions. The insurance companies are the financial beneficiaries of this particular form of junk science.

–JOHN F. FIELDER, PH.D.
President
California Institute of Psychology
San Francisco, Calif.

SIR: As a physician who has been the victim of a frivolous lawsuit (later dismissed) and as a scientist involved in research, I cannot agree more with your conclusions. Partially at fault is the contingency-fee structure which had resulted in so many lawsuits.

Despite the bleak picture in the near term, however, public opinion and market forces will eventually bring an end to this predominantly American plague.

–MAHMOUD LOGHMAN-ADHAM, M.D.
Assistant Professor
University of Utah School of Medicine
Salt Lake City, Utah

SIR: How ironic that in the same issue there appeared an article on junk science in the courtroom and the editorial call to eliminate placebo control groups in tests of new drugs *(Fact and Comment)*. Placebo control groups are vital. Eliminating them will only lead to precisely the kind of junk science practiced, for example, by the clinical ecologists rightly pilloried in the cover story.

–TERENCE HINES, PH.D.
Ossining, N.Y.

Sin of omission

SIR: Your list of 25 large nonpublic foreign companies (FORBES, *July 22*) failed to include Samsung Group. At the end of last year Samsung Group employed 181,809 people; revenues for the year were $37,984,000,000. This would have ranked Samsung Group in third place on your list of private foreign companies.

–H.S. LEE
Executive Managing Director
Financial Control Department
The Samsung Group
Seoul, Korea

Samsung should indeed have been ranked third on that list. We're happy to set the record straight.—ED.

A qualified success

SIR: Re Fact and Comment *(June 24)*. The U.S./Japan semiconductor trade agreement of 1986 was a qualified success, not a disaster as you allege. The Japanese were caught and convicted of dumping in the U.S., and finally stopped.

In Japan, foreign market share has risen from about 8.5% to 13.3%. This is worth about $850 million annually in additional revenue. The new agreement continues the momentum. There is deterrence from dumping and a commitment from the Japanese to open their market, reaching the 20% minimum goal by the end of 1992. This market share would imply over $2 billion in increased business.

–BEN ANIXTER
Vice President
External Affairs
Advanced Micro Devices
Sunnyvale, Calif.

Price discrimination?

SIR: Since World War II many of our nation's leading colleges and universities have awarded financial aid solely on the basis of need. There are those (Thomas Sowell, FORBES, *June 24*) who describe this policy as "price discrimination"—but if so, it is a most unusual kind. These schools do offer "discounts" to almost half their customers, but they simultaneously turn away thousands of other potential customers willing to pay even more than the "list price."

The "overlap" meetings that so concern Mr. Sowell were intended simply to assure that each school had made as accurate an assessment as possible of each student's need. The recent antitrust settlement is likely to result in less accuracy in assessing need, and may lead to some erosion over time in the commitment of these institutions to policies of need-only.

–ROBERT K. DURKEE
Vice President for Public Affairs
Princeton University
Princeton, N.J.

Full speed ahead

SIR: In the International Billionaires issue *(July 22)* FORBES indicates that Freudenberg is "pruning" its oil seal and vibration damper business. This is totally inaccurate. In fact, Freudenberg and its affiliates are the largest producers of oil seals in Europe, the U.S. and Japan. Additionally, we are a world leader in vibration dampening technology.

Please be assured that Freudenberg and Freudenberg-NOK are totally committed to expanding our worldwide leadership position in oil seals and vibration dampers.

–JOSEPH C. DAY
President & Chief Executive Officer
Freudenberg-NOK
Plymouth, Mich.

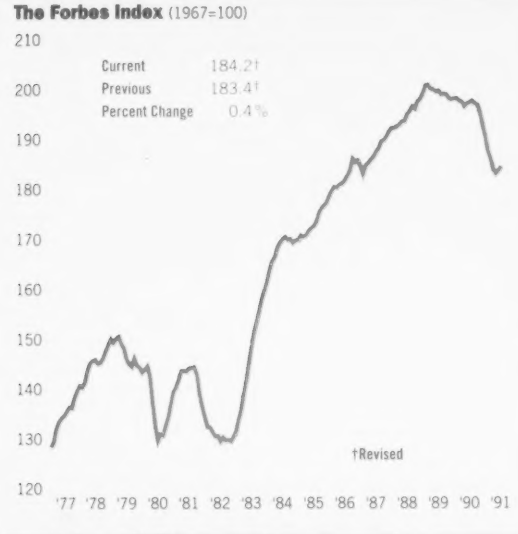
Eastern Europe

SIR: Re your recent editorial on Eastern Europe *(Fact and Comment, July 8)*. I fully share your criticism of the IMF and I agree that Western assistance has been inadequate. I would add that it has also been incoherent; whereas Poland got an $18.5 billion debt forgiveness, Czechoslovakia and Hungary have gotten nothing. Ultimately what will defeat East Europe's aspirations is not the lack of financial assistance but the refusal of the G-7 to let them join the world trading system on a reasonable basis.

–PETER RONA
New York, N.Y.

THE FORBES INDEX

BY TIMOTHY DODMAN



The recession is over—provided the government doesn't make a sharp downward revision in the second-quarter Gross National Product. The preliminary result shows that the economy grew at a 0.4% annual rate in the second quarter. This is a weak, but promising, start to the much anticipated recovery. Other good signs: Personal income rose a strong 1% in June, and housing starts increased 5.7% from May to June. The Forbes Index shows a preliminary 0.4% gain for June. If this stands, it will be the largest monthly advance since February 1989.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-11.3%
Index of leading indicators May vs Apr	Dept of Commerce	0.8%
Trade balance 12 months ended Apr 1991	Dept of Commerce	-$85 bil
All-commodity producer price index June vs May[2]	Dept of Labor	-0.2%
GNP 2nd quarter vs. 1st—annualized growth	Dept of Commerce	0.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	3.5%

[1] U.S.-based manufacturers, excludes imports, as of 7/20/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

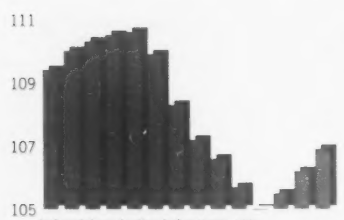
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

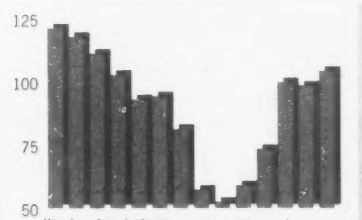
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

Consumer price indexes (1982-84 average=100)
all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories
($billions), seasonally adjusted (Dept of Commerce)

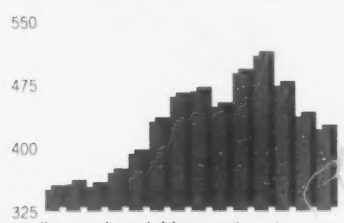


Industrial production index (1987=100)
seasonally adjusted (Federal Reserve)



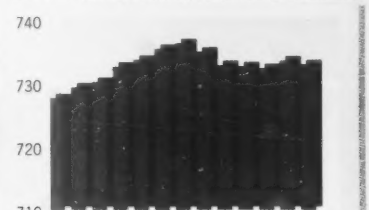
New housing starts (thousands) privately owned,
unadjusted (Dept of Commerce)

Personal income ($billions) wage and salary
disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month
(thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions),
seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total,
seasonally adjusted (Federal Reserve)

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There's lots of gloom in the media industry these days. But lots of opportunity, too.

Media wars

By Dana Wechsler Linden and Vicki Contavespi

"IT'S MURDER out there," says Metromedia Chairman John Kluge, describing the current slump in advertising revenues that has afflicted the media business. "It's becoming more of a commodity business. The current problems aren't going to be eradicated in six months."

Gloom envelops broadcasting and publishing these days. Even Warren Buffett, with more than a billion dollars invested in media stocks, has said: "Media businesses will prove considerably less marvelous than I, the industry or lenders thought would be the case only a few years ago."

But while the media business is in turmoil, nobody thinks it is going to die. Change, yes, and change always creates opportunities. Given that newspapers and network TV are in decline, where are the new opportunities in broadcasting and publishing?

The answers are clear: The future looks brightest for publishing and broadcast media that reach target audiences for advertisers more efficiently than broad-based media like newspapers and network TV can; and to media that can get the reader or viewer to pay a major part of the freight.

The new winners will be radio stations, specialized cable networks, tightly targeted magazines, new kinds of in-store advertising and even the old-fashioned weekly newspapers. Rather than appealing to huge, broad audiences, these appeal to specialized audiences—what advertisers want in these days of fragmented markets. Some are services that require the readers and viewers to bear a substantial part of the cost, thus assuring advertisers that the customers really want them.

Weekly newspapers, though they currently get not even 3% of total U.S. advertising spending, are gaining market share because of their ability to deliver specific communities rather than broad geographical areas. Advertising spending on weeklies has grown at nearly double the rate of dailies for the past three years in a row, and hit $3.3 billion last year. "You can find a niche market with [weeklies]," says News Corp.'s Rupert Murdoch. "I've got ideas about starting a couple of them myself."

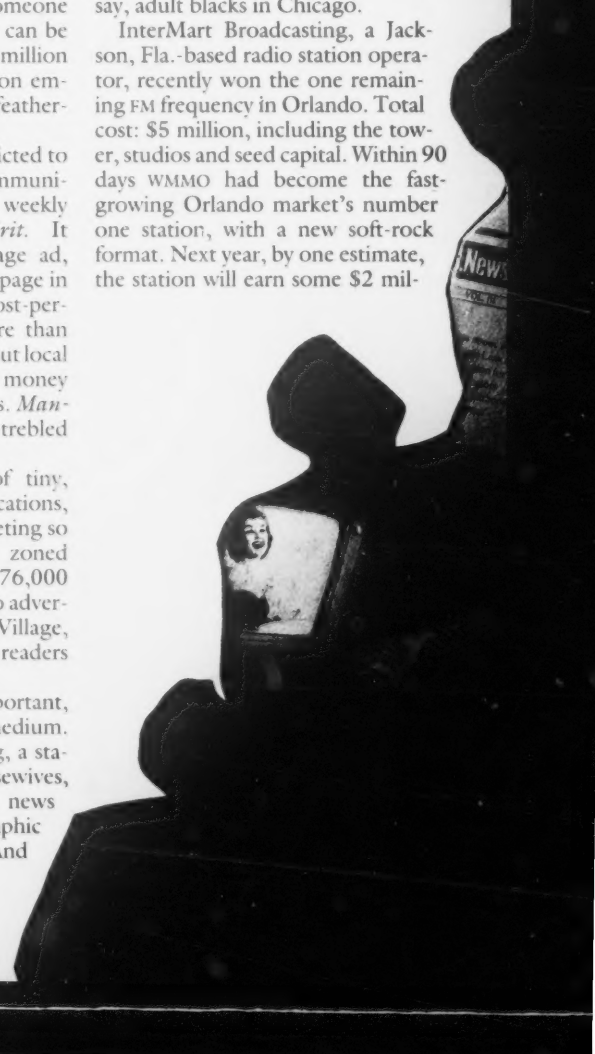
Weeklies typically use someone else's printing presses, and so can be started for as little as half a million dollars. Most employ nonunion employees, thus avoiding union featherbedding.

These weeklies are not restricted to small, rural or suburban communities. Take New York City's weekly newspaper *Manhattan Spirit.* It charges $2,900 for a full-page ad, compared with $40,000 for a page in the *New York Times.* On a cost-per-thousand-readers, this is more than the *New York Times* charges. But local advertisers are not wasting money reaching readers in the suburbs. *Manhattan Spirit*'s ad pages have trebled in the last six years.

Manhattan Spirit, part of tiny, publicly held News Communications, Inc., has found its niche marketing so powerful that it has begun zoned editions, breaking down its 76,000 Manhattan-wide circulation so advertisers in, say, Greenwich Village, won't waste their money on readers from the Upper East Side.

If slicing the market is important, radio does it as well as any medium. Through astute programming, a station can appeal to teens, housewives, sports fans, business people, news junkies—almost any demographic grouping you can think of. And radio isn't threatened like other media, since most people listen to radio in their cars. "We [radio] invented narrowcasting before there was such a word," says William Pearson of New York's Broadcasting Partners, which owns a group of five radio stations in cities like Chicago and Dallas. Because radio stations are relatively cheap to operate and require relatively little capital, they can afford to concentrate heavily on a narrow market, say, adult blacks in Chicago.

InterMart Broadcasting, a Jackson, Fla.-based radio station operator, recently won the one remaining FM frequency in Orlando. Total cost: $5 million, including the tower, studios and seed capital. Within 90 days WMMO had become the fast-growing Orlando market's number one station, with a new soft-rock format. Next year, by one estimate, the station will earn some $2 mil-



lion from operations.

As for TV, cable is the principal narrowcasting channel. This medium's ad revenues rose 17% last year, to $1.8 billion, while broadcast TV advertising edged up only 5% (but to $27 billion). Every cable network has its own demographic fingerprint—whether retirees or urban professionals. And rates less than half those of the broadcast networks.

Cable is a business where investors don't have to worry about fragmented advertising, since cable operators get most of their revenues from the growing number of subscribers. By one estimate, cable's 53 million subscribers will grow to 61 million by 1995, and to 68 million by the year 2000.

These growing legions of cable viewers will have ever more entertainment and information choices. Thus advertisers will get even better opportunities to aim their messages precisely—and cable operators will have new opportunities to charge viewers. Within several years, Tele-Communications, Inc. of Denver expects its systems to be able to carry 300 to 400 channels. Every hour spent watching cable is one hour less spent on network TV and, perhaps, on reading.

"The day they brought out the remote control unit," says Metromedia's Kluge, "any monopolistic aspect of this [the broadcast] business was lost forever." One winner in the war for viewers is Time Warner's Home Box Office. In homes with HBO, the cable channel outdrew all three networks on Saturday nights with a number of original programs like *Tales from the Crypt*. This fall, broadcast network advertising rates are expected to fall by at least 5%—after years of annual increases that averaged close to 10%.

Without the power to increase prices, CBS, for one, is in a very tough spot. By one estimate, the network's operating revenues at current ratings levels—about $2.5 billion—will not cover its estimated $2.6 billion in operating costs.

Opportunities in the big, broadly diversified companies do exist. Time Warner is a global media and entertainment company with publishing (*Time, Sports Illustrated,* etc.), film (Warner Bros. and Lorimar Television), cable (HBO) and music recording and publishing (Elektra, Atlantic and Warner Bros. labels).

Cap Cities/ABC has the ABC network with 227 primary affiliates and ABC radio with some 3,050 affiliates. It also has cable programming interests and puts out specialized publications like *Women's Wear Daily, M inc.* and *Institutional Investor.*

What about so-called alternative media—those out-of-home vehicles such as Whittle Communications' Channel One school news program, or Turner Broadcasting's Airport Channel for airport-trapped travelers to watch on special TV sets in departure lounges?

Alternative media (sometimes called "in-your-face media") try to put ads where the target audience—and only the target audience—is sure to pass by. Privately held media conglomerate Cox Enterprises (1990 revenues, $2 billion) gets over 10% of its newspaper division revenues from the Cox Target Media group. The division includes, among other things, an in-store radio advertising business. Cox also has invested in the Clipper, booklets of glossy coupon ads produced in regional editions and mailed to 15 million people.

Heritage Media (1990 revenues, $204 million) is one public company that's a near-pure play in alternative media. It was formed in 1987 to operate TV and radio stations. Heri-

Public companies scrambling for a piece of the advertising pie

Company/media properties	Recent price	Price/ cash flow per share	Five-year peak price	Five-year peak price/ cash flow per share	Current yield	Revenue 1990 ($mil)
Capital Cities/ABC/diversified	474¼	12.47	633 (7/90)	16.64	NM	$5,390
CBS/radio, TV	164⅜	28.30	226⅛ (9/87)	28.65	0.6%	3,260
Comcast Corp/cable, cellular	14¼	NM	19⅞ (10/89)	NM	1.0	657
Dow Jones & Co/newspapers, info services	25½	11.09	56⅓ (3/87)	20.63	3.0	1,720
Gannett Co/newspapers	43⅜	12.15	56⅓ (8/87)	18.97	2.8	3,440
Heritage Media Corp/radio, TV, in-store ads	3½	NM	5¾ (4/89)	NM	—	204
McGraw-Hill/books, business periodicals	57	11.66	84½ (9/87)	18.33	3.9	1,940
Multimedia, Inc/diversified	29	12.66	36 (8/89)	17.91	—	481
News Corp/diversified	12¾	4.65	35¾ (4/87)	12.91	0.6	6,840
The New York Times Co/newspapers, magazines, TV	22	8.87	49⅝ (6/87)	16.82	2.5	1,780
Park Communications/radio, TV, newspapers	14½	9.18	25 (8/89)	15.92	—	160
Tele-Communications/cable	13½	12.27	21⅜ (10/89)	27.03	—	3,630
Time Warner/diversified	84⅞	13.87	182¾ (6/89)	38.15	1.2	11,520
Times Mirror Co/newspapers, books, cable	30¾	9.29	52⅞ (8/87)	14.85	3.5	3,620
Turner Broadcasting System (B)/cable	14⅜	19.69	20 (8/89)	17.00	—	1,390
United Artists Entertainment Co/cable, theaters	13⅝	28.99	23¾ (9/89)	47.5	—	1,460
Westwood One/radio	2	NM	32 (8/87)	29.9	—	146

NM: Not meaningful. *Sources: Value Line Investment Survey; FORBES.*

Media massacre: Stock prices and cash-flow multiples are under heavy pressure.

tage got into the in-store advertising business by buying ActMedia in early 1989 and POP radio in late 1990. POP radio has the country's leading in-store radio business, which plays music and commercials in supermarkets and other stores. ActMedia sells in-store print advertising, with ads on shopping carts and shelves. It also organizes in-store promotions.

Heritage's biggest new product is an electronic coupon dispensing machine. The machines are in only 400 stores right now but will begin a national rollout into 8,000 stores by year-end. The machines could generate $30 million of revenue and $13 million of cash flow by 1992.

Turner Broadcasting, too, is moving headlong into alternative media. Its vehicles: the Airport Channel and the Checkout Channel—TVs blaring at people waiting in supermarket checkout lines.

Cable spot advertising is a fertile new field for targeted media. This form of advertising, which places ads on local systems, is currently worth about $500 million. John Davison, formerly a sales executive with NBC, has founded a company called AdExpress to make it easier to sell spot advertising to local cable systems.

Currently, local cable systems collect only some $50 million from national advertisers, or less than 1% of the national spot market for all television, even though cable has 20% of the national TV audience. One reason is the logistical nightmare of selling cable. "If you wanted to reach the top 30 markets in the U.S., you'd have to place ads on 600 different systems," says Michael Gorman, AdExpress' chief financial officer.

So AdExpress has come up with an innovative delivery system, a box that is placed with each cable system. Rather than sending out videotaped commercials, AdExpress will be able to send, automatically, by satellite, the commercials that national advertisers want to run. In effect, selling cable will be as easy as selling spots on national network TV.

The company's startup investment is $20 million to $30 million, most of that for the boxes. So far, the money has been raised from private investors, who include: Neil Austrian, former head of Showtime and the Doyle Dane Bernbach ad agency; Ancil Payne, former chief executive officer of Seattle's King Broadcasting; and Morton Meyerson, who helped Ross Perot build Electronic Data Systems.

Magazines are also encountering the brave new world of target marketing. Thirty years ago, newsstands were dominated by a few national magazines, including *Look, Reader's Digest* and the *Saturday Evening Post*. Some of the old titles are still around, but 2,500 new ones joined them in the last five years alone—with such esoteric names and subjects as *Mobile Office, Africa Monthly* and *Wisconsin Greyhound Racing*.

Broader-interest national magazines are trying to adjust, too. *Time, Newsweek* and *U.S. News & World Report* offer so-called selective binding to allow advertisers to place their ads in only those magazines going to targeted subscribers—such as homeowners, women or the elderly.

"I don't think there'll be any more big titles," says News Corp.'s Murdoch, who in recent years launched *Mirabella* (for $20 million) and *Automobile* (for $7 million). "The more focused the magazine, the more satisfying it will be to its target audience."

In adversity, there's always opportunity.

Some 40 U.S. blue-chip stocks are still off-limits to many state and local pension funds because of the companies' South African ties. When the laws change, will the money move?

Off-limits!

By Tatiana Pouschine with Amy Feldman

PRESIDENT BUSH has lifted sanctions against South Africa, but 27 states, 88 cities and 24 counties still have on the books their own versions of anti-apartheid policies restricting investments by their pension funds in stocks of companies doing business with South Africa.

The eight largest cities—New York, Los Angeles, Chicago, Houston, Philadelphia, San Diego, Detroit and Dallas—have divestment policies. Big money is involved. New York City alone has $40 billion in pension assets under management.

New Jersey's director of investment, Roland Machold, who oversees the state's $35 billion public employees' pension funds, figures that since August 1985, when most New Jersey funds were forced to start divesting, the ban has cost the funds at least $200 million in otherwise unnecessary commissions and opportunity costs, especially the latter. "At one point," reports Machold, "we had 3% of RJR Nabisco, all purchased

Today's "no-nos," tomorrow's buys?

Company*/business	Recent price	EPS latest 12 mos	EPS 1991 est	P/E 1991 est
Abbott Laboratories/health care	51⅛	$2.30	$2.56	20.0
American Cyanamid/diversified chemicals	64⅛	3.88	4.07	15.8
Avery Dennison/office products	23¼	–0.02	1.43	16.3
Baker-Hughes/oilfield equip & svcs	24⅞	1.20	1.37	18.1
Borden/food processing & chemicals	34¾	2.46	2.63	13.2
Bristol-Myers Squibb/pharmaceuticals	79⅞	3.49	4.00	20.0
Caterpillar/machinery	49½	0.78	–0.43	NM
Chevron/oil	72⅛	6.36	5.46	13.2
Colgate-Palmolive/household products	38¼	2.35	2.56	14.9
Crown Cork & Seal/containers	83¼	3.76	4.20	19.8
Deere & Co/machinery	53⅛	2.87	1.76	30.2
Dresser Industries/oilfield equip & svcs	21¼	1.14	1.14	18.6
El du Pont de Nemours/chemicals	46¼	3.38	3.07	15.1
Echlin/auto parts	14	0.82	0.74	18.9
Gillette/personal care	37⅞	1.70	1.95	19.4
Harnischfeger Industries/machinery	20⅞	2.18	2.00	10.4
Ingersoll-Rand/machinery	50½	3.24	2.91	17.4
Intl Flavors & Frag/specialty chemicals	78¼	4.25	4.48	17.5
International Paper/paper & forest prods	69½	4.76	4.36	15.9
Johnson & Johnson/health care	87⅛	3.95	4.38	19.9

Company/business	Recent price	EPS latest 12 mos	EPS 1991 est	P/E 1991 est
Kellogg/food processing	103	$4.72	$4.91	21.0
Kimberly-Clark/paper & forest products	100	5.45	6.27	15.9
Eli Lilly/pharmaceuticals	72¾	4.09	4.64	15.7
Minn Mining & Mfg/office prods	89⅝	5.77	5.78	15.5
Monsanto/chemicals	72½	4.07	4.81	15.1
Nalco Chemical/specialty chemicals	27¾	1.74	1.79	15.5
Parker Hannifin/industrial equip	27⅞	1.86	1.50	18.3
Pfizer/pharmaceuticals	58⅝	2.42	2.73	21.5
Phelps Dodge/metals & mining	70½	12.15	8.86	8.0
Premark International/housewares	28¼	1.54	2.22	12.7
Raytheon/aerospace & defense	84¼	8.57	9.05	9.3
Royal Dutch Petroleum/oil	81¾	8.61	7.15	11.4
Schering-Plough/pharmaceuticals	51	2.63	2.97	17.2
Schlumberger Ltd/oilfield equip & svcs	66⅝	2.42	2.89	23.1
Texaco/oil	64¼	5.54	5.26	12.2
Timken/industrial equip	27	1.35	1.18	22.9
Union Camp/paper & forest products	46¼	2.97	2.01	23.0
Union Carbide/chemicals	20¼	2.15	1.49	13.6
United Technologies/aerospace & defense	48	5.11	2.73	17.6
Upjohn/pharmaceuticals	43⅝	2.59	2.70	16.2
Warner-Lambert/health care	67¾	3.75	4.18	16.2

*South African affiliation confirmed by anti-apartheid monitor Investor Responsibility Research Center, based in Washington, D.C. NM: Not meaningful.
Source: The Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan.

These U.S. firms still have ties with South Africa. Much public money can't touch them—but would if only it could. Buys? Some of the oil, drug and manufacturing stocks.

before the takeover, and we had to sell."

Has being off-limits to public pension funds hurt the stocks? The evidence is ambiguous. Merck, regarded as clean by South Africa boycotters, trades at 22 times 1991 estimated earnings. But Pfizer also trades at about 22 times 1991 estimated earnings, even though it is on the banned list. Other restricted drug companies, like Eli Lilly and Upjohn, trade at much lower multiples.

Probably the safest thing one can say about the bans is that many pension fund managers would like them lifted—they don't like to be told what they can or cannot buy. Dale Hanson, chief executive of California's employee retirement funds, oversees $64 billion in assets, 45% of which is equities. He estimates that divestment has cost his funds between $600 million and $750 million in commissions and opportunity costs.

Hanson says he would like to own some of the stocks on the restricted list, particularly pharmaceuticals. Roland Machold agrees with Hanson on the pharmaceuticals, and says he would also buy Du Pont, Monsanto, Caterpillar, Ingersoll-Rand, Cooper Industries and Minnesota Mining & Manufacturing if the local law allowed him to.

How soon might the local laws be repealed? Probably not right away. The Comprehensive Anti-Apartheid Act of 1986, which President Bush has just lifted, spelled out conditions for its repeal. But unlike that federal law, most of the 140 state and local laws that restrict investment in and business ties with South Africa don't specify timetables or conditions for their ending.

Most state and city legislators will probably dither, rather than risk seeming soft on apartheid. However, Herman Cohen, Assistant Secretary for African Affairs at the State Department, recently said that the Justice Department was considering steps to get states and cities to follow the President's lead on South Africa.

Presence on this list is no guarantee that a stock is undervalued. But it would be reasonable to expect at least a flurry of activity in many listed stocks, both in anticipation and after the fact, as bans are lifted. ■

Brown rice for dogs? Don't laugh. Smart marketing and pampered pooches have transformed the tired pet food industry into a gold mine, and created yet another great American fortune.

Mom's cooking was never like this

By Matthew Schifrin

SUPERPREMIUM pet foods are enlivening a market most people thought was going to the dogs. From nowhere, these superpremium foods for yuppies' puppies (and kitties) now account for $1.5 billion of the $7.5-billion-a-year U.S. pet food market. Smaller brands like Science Diet and Eukanuba have been growing at over 25% a year. By contrast, the major producers—Ralston Purina, Nestlé, Quaker Oats and H.J. Heinz—have seen sales growth stagnate at around 5% a year. Now they are rushing into the market.

"We hear of a new brand every few weeks," says Richard Covello, owner of New York's small chain of Pet Nosh stores, which carry 25 different manufacturers' pet foods. One brand Covello carries, Natural Life Pet Products, claims its dog food is packed with American-grown lamb, brown rice and special minerals; it is touted as "health food for adult dogs that have sensitive skin or diet-caused allergies." California-based Nutro Products' Max dog food is advertised as being made of chemical-free chicken meal with no heads, feet or intestines. It's probably no healthier than other foods, but what self-respecting young urban professional wants to deal with chicken heads and intestines? Price: $30 for 40 pounds.

The two biggest producers of superpremium pet foods are Hill's Pet Products, a division of Colgate-Palmolive, and privately held Iams Co. of Dayton, Ohio. Each has chosen a different route to the same strategy—getting a group with authority to back the product's claims.

Hill's route leads through the offices of the country's veterinarians. In

Ralph Bibergan

Superpremium pet food buyer
Is it worth a dollar a pound?

When athletes make more money from endorsements than from salaries and prize money, it helps to develop celebrity status. Meet two of the world's richest self-made teenagers.

Madonna is the model

By Peter Newcomb

THE YOUNG CELEBRITY at last appeared, a fashionable 45 minutes late. A barrage of flashbulbs and a sea of microphones. Movie star? Madonna? Nope. Just a normally attractive 17-year-old girl—who happens to be a whiz of a tennis player.

Having already won two of the three Grand Slam tennis tournaments held so far this year, Monica Seles, the youngest woman player ever to hold the number-one ranking, should easily earn over $1.5 million in 1991. That's just on the court. Off the court? Four times that amount. Seles has multimillion-dollar endorsement deals with Perrier, racketmaker Yonex, Canon, tennis shoe company Fila and Matrix hair care. Then there will be appearance fees at other exhibitions. All told, Seles should earn over $7.5 million this year, placing her at the 12th spot on this year's FORBES list of the world's highest-paid athletes *(see table, p. 82)*.

So, she's a hell of a tennis player and probably one of the richest teenagers in America. Does that explain the media frenzy? Not quite. Seles also seems to have a flair for publicity. The world's top-ranked women's tennis player withdrew from Wimbledon in June three days before the prestigious tournament kicked off. This outraged tennis purists but got everybody's attention. Taking a page from the book of her idol, Madonna, Seles created a continuing media event out of a one-time happening. In announcing her withdrawal, Seles vaguely cited a "minor accident," and then vanished, leaving the British press to speculate on the real circumstances behind her pulling out—and leaving a breathless public wondering when she would surface again.

After four weeks of hiding out, Seles scheduled a press conference at the Pathmark Tennis Classic in Mahwah, N.J. She got lots of ink and tube time for disappearing. Much more for reappearing. The young player arrived in the sweltering tent clutching her pet terrier, Astro—photo opportunities galore. Says former women's tennis champion Tracy Austin: "This is more like Hollywood."

It is indeed, but Seles didn't start it. Billie Jean King did with her 1973 battle-of-the-sexes match against Bobby Riggs. John Korff, owner and tournament director of the Pathmark Tennis Classic, at one time worked for Billie Jean King. "Billie Jean King and Bobby Riggs put women's tennis on the map," Korff says. "That match was the watershed."

But the big money didn't go to King; it went to her successors. This year's prize money for the women's tour will exceed $24 million, up from $900,000 at the time of the King-Riggs match. Had King had the same kind of year in 1973 that Steffi Graf had in 1988—winning all four Grand Slam events and the Olympic gold medal—she would have been lucky to earn $150,000. Graf earned ten times that amount in prize money alone.

But prize money is the least of it. With media attention come endorsement offers. Especially when the game goes global. An American sport at its birth, women's tennis has in-

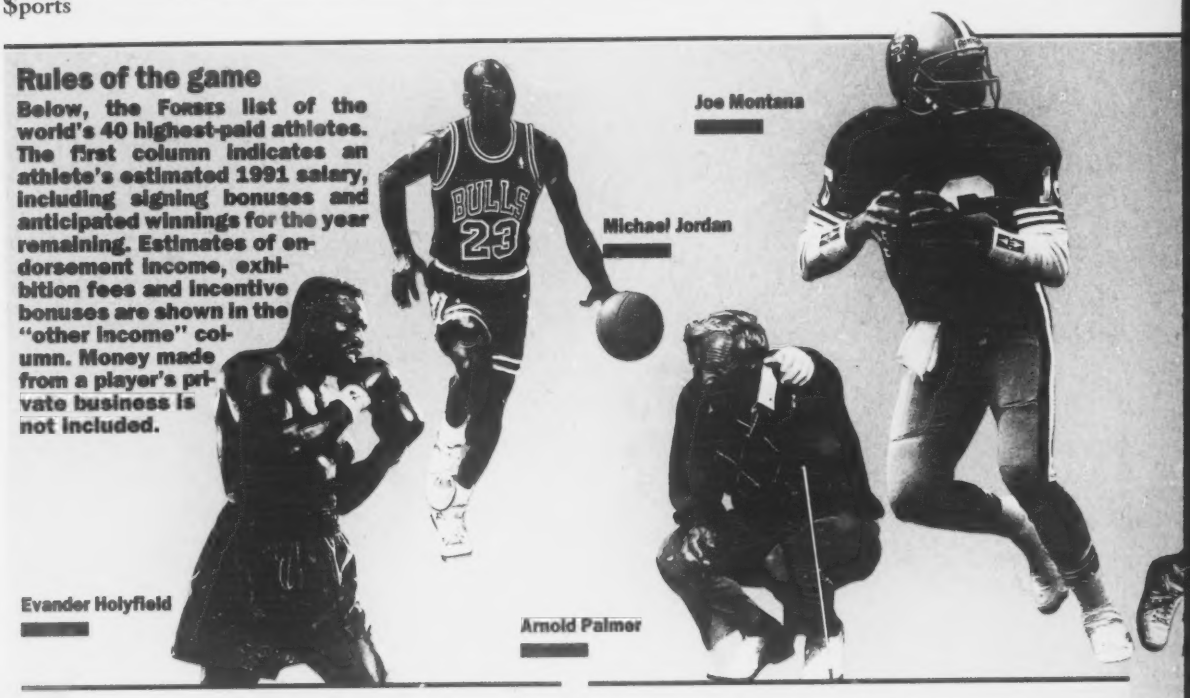
Focus on Sports

Focus on Sports

ABOVE:
Tennis has-beens Bobby Riggs and Billie Jean King
Their match put women's tennis on the map.
RIGHT:
Seventeen-year-old tennis celebrity Monica Seles

Rules of the game

Below, the Forbes list of the world's 40 highest-paid athletes. The first column indicates an athlete's estimated 1991 salary, including signing bonuses and anticipated winnings for the year remaining. Estimates of endorsement income, exhibition fees and incentive bonuses are shown in the "other income" column. Money made from a player's private business is not included.



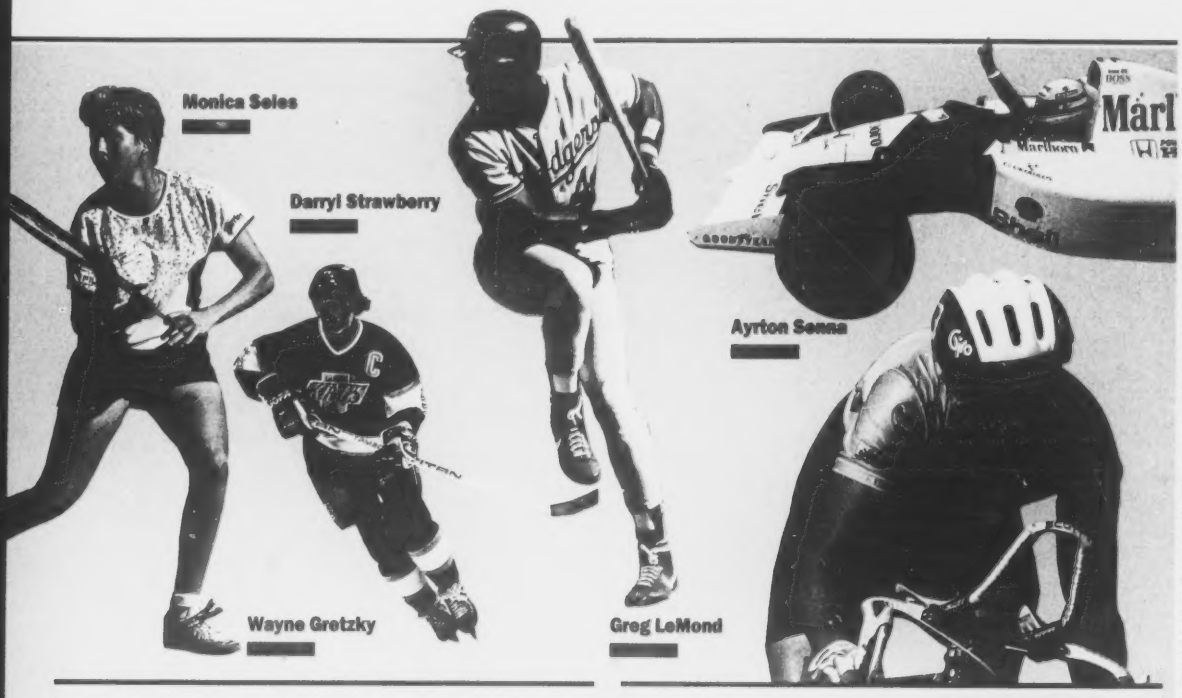
Rank	Athlete	Sport	Salary or winnings	Other income	Total
			($million)		
1	Evander Holyfield	boxing	$60.0	$0.5	$60.5
2	Mike Tyson	boxing	30.0	1.5	31.5
3	Michael Jordan	basketball	2.8	13.2	16.0
4	George Foreman	boxing	14.0	0.5	14.5
5	Ayrton Senna	auto racing	12.0	1.0	13.0
6	Alain Prost	auto racing	10.0	1.0	11.0
7	Razor Ruddock	boxing	10.0	0.2	10.2
8	Arnold Palmer	golf	0.3	9.0	9.3
9	Nigel Mansell	auto racing	8.0	1.0	9.0
10	Jack Nicklaus	golf	0.5	8.0	8.5
11	Larry Bird	basketball	$7.4	$0.5	$7.9
12	Monica Seles	tennis	1.6	6.0	7.6
13	Joe Montana	football	3.5	4.0	7.5
14	Stefan Edberg	tennis	1.4	6.0	7.4
15	Greg Norman	golf	0.4	7.0	7.4
16	Steffi Graf	tennis	1.3	6.0	7.3
17	Andre Agassi	tennis	0.8	6.5	7.3
18	Boris Becker	tennis	1.2	6.0	7.2
19	Wayne Gretzky	hockey	3.0	4.0	7.0
20	Gerhard Berger	auto racing	6.0	1.0	7.0

creasingly become a worldwide spectacle. Seven countries are represented in the top ten women players: Seles is from Yugoslavia, Steffi Graf from Germany, third-ranked Gabriela Sabatini from Argentina and Jennifer Capriati from the U.S. Says Thomas Keim, director of event marketing for Kraft General Foods, the women's tennis tour's umbrella sponsor: "You've got support from places that the sport never had."

Not only does the popularity now cross national boundaries, but it is also attracting the attention of a whole new generation. With the top women's tennis stars averaging 19 or 20 years of age, these kids reach a whole different group of consumers. Where Jack Nicklaus and Arnold Palmer talk to an older, Cadillac-buying audience, Seles and Capriati speak to the 12-to-35-year-old market, where some of the biggest merchandising dollars are spent. Says Kraft's Tom Keim, "These child stars [are] teenage heroines."

"The women were blessed by having some major advancements in equipment, especially the oversize racket," explains Gerard Smith, executive director of the Women's Tennis Association. "It gave the young women athletes a great deal more power, and the power has substantially helped the women's game." By contrast, Smith notes, the new-found power has not really improved the men's game. Of all the men's points played at Wimbledon this year, only 30% to 35% of them went beyond three strokes. More than half of the women's points went more than that.

For years the women's tour was dominated by one or two players, making any tournament's outcome somewhat predictable. Not long after her bout against Riggs, Billie Jean King passed the champion's torch to Chris Evert and Martina Navratilova, in whose hands it stayed for over ten years. When viewers tuned in to a women's tennis final, they usually watched a Navratilova-Evert match.



Rank	Athlete	Sport	Salary or winnings	Other income	Total
			($million)		
21	Jean Alesi	auto racing	$6.0	$0.5	$6.5
22	Gabriela Sabatini	tennis	1.3	5.0	6.3
23	Magic Johnson	basketball	2.5	3.0	5.5
24	David Robinson	basketball	2.4	3.0	5.4
25	Nick Faldo	golf	0.4	5.0	5.4
26	Jennifer Capriati	tennis	0.6	4.5	5.1
27	Rocket Ismail	football	4.5	0.5	5.0
28	Patrick Ewing	basketball	4.0	1.0	5.0
29	John Hot Rod Williams	basketball	4.8	0.1	4.9
30	Ivan Lendl	tennis	0.8	4.0	4.8

Rank	Athlete	Sport	Salary or winnings	Other income	Total
			($million)		
31	Bo Jackson	football, baseball	$2.0	$2.5	$4.5
32	Pete Sampras	tennis	0.4	4.0	4.4
33	Hakeem Olajuwon	basketball	3.8	0.5	4.3
34	Darryl Strawberry	baseball	3.8	0.5	4.3
35	Greg LeMond	cycling	1.8	2.5	4.3
36	Will Clark	baseball	3.8	0.4	4.2
37	Nelson Piquet	auto racing	4.0	0.2	4.2
38	Kevin Mitchell	baseball	3.8	0.3	4.1
39	Curtis Strange	golf	0.5	3.5	4.0
40	Joe Carter	baseball	3.7	0.2	3.9

"They were getting to be an old act," says Robert Kain, an agent at Cleveland-based International Management Group. "You need new blood, and there was really nobody else out there." Enter the grandstanding teenagers and competition on a whole new level.

Of the top ten women's players, just about any one of them could win the next big tournament. With just a slim 2-point lead in the Virginia Slims ranking, Seles is barely holding on to the top spot. Already there's talk of another tennis prodigy: 11-year-old Venus Williams, who's apparently beating up on everybody she faces. "More and more people are getting their kids into tennis, whether looking for meal tickets or college scholarships," says former mixed-doubles champion and TV commentator Bud Collins. "You see the kids with their entourages: fathers, coaches, people trailing the kids to wipe their noses and clean their diapers."

Also new to the FORBES list of top-earning athletes this year is 15-year-old Jennifer Capriati. When she made her professional debut in Boca Raton at age 13, Capriati was inundated with attention. In no time she landed a multimillion-dollar endorsement deal with American racket company Prince. Similar deals with Oil of Olay and others will net Capriati over $4 million. Capriati can't legally drive a car alone, but she'll bring home at least $5 million this year.

Tennis stars make up nearly 25% of this year's FORBES list of top-earning athletes. Leading the men's field is second-ranked Stefan Edberg, whose earnings this year should reach $7.4 million, followed closely by America's Andre Agassi with $7.3 million.

Top of the sports list? Pugilist Evander Holyfield. Holyfield became the world's reigning heavyweight champion, having sent Buster Douglas to the showers last October after winning the title. Holyfield made an estimated $24 million beating George Foreman last April in a unani-

Fifteen-year-old tennis up-and-comer Jennifer Capriati, top, and this year's Wimbledon winner Steffi Graf

Capriati can't legally drive a car alone but will earn over $5 million this year, while Graf, at just 22, is already a tennis doyenne.

mous decision. Next up? Former champ Mike Tyson, in November. Holyfield's been guaranteed $30 million for that bout. And if pay television revenues hit even the lowest projections, Holyfield should dance away with over $60 million for the year.

High on the roster are three Formula One race car drivers. Tops among them is Ayrton Senna, who makes a guaranteed salary of at least $12 million. These guys take risks for their money: Senna's Formula One car made a high-speed leap 15 feet into the air during a test run a few weeks ago.

Five golfers make the list this year, led by Arnold Palmer and Jack Nicklaus. Australian Greg Norman might be having his troubles on the green this year, but he's still no slouch pitching products. Norman should pull in another $7 million over what he'll make on the circuit.

When it comes to endorsements, nobody touches Michael Jordan. His Chicago basketball Bulls won the NBA crown this year, making Jordan's high-flying image even more inescapable. His face adorns the Wheaties box. He pitches burgers for McDonald's. He soars past the moon stretching for a bottle of Coca-Cola. And Air Jordan's deal with Nike shoes is still the single best deal in sports, paying the league's premier slam-dunker over $3 million a year. His video *Michael Jordan's Playground* should sell over 700,000 copies by year-end. Add to that sales of his previous video, *Come Fly With Me*, and Jordan should rake in $2.5 million in video alone.

Among the new entries on this year's list is baseball slugger Darryl Strawberry. San Antonio Spur David Robinson is poised to succeed Michael Jordan as basketball's premier pitchman. His telegenics and awesome play make him a corporate sponsor's dream, and Nike and Casio, among others, have taken notice.

Off the list falls soccer star Diego Maradona, after testing positive for cocaine and being suspended from the game. Jose Canseco of the Oakland Athletics was briefly the highest-paid player in baseball when he signed a new contract last year and received a $3.5 million bonus. But with baseball's ever-escalating salaries, Canseco's been left behind.

THE FORBES/BARRA WALL STREET REVIEW

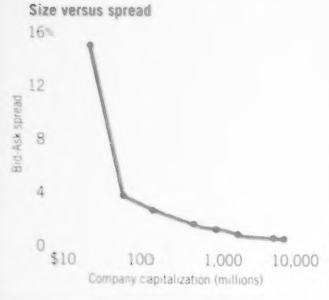
BY ERIC S. HARDY

There may finally be some reason for optimism about the banking industry. Mabon Securities' Brent B. Erensel, who follows the larger bank stocks, predicts that the seemingly unending deterioration in loan portfolios is slowing down significantly. "Asset quality has finally started improving in Texas, and appears to be stabilizing in other areas, like New England," he says. For instance, Erensel thinks that the Pittsburgh-based Mellon Bank is a good example of a recovery stock. Erensel also likes Los Angeles-based First Interstate, which, he believes, is the large bank most likely to benefit from further industry consolidation.

The Barra industry factor for banks (which isolates only those price changes attributed to the banking business) gained 35.4% since the start of the year. The Barra All-US index of more than 5,000 stocks shows an 18% gain (excluding dividends) since the start of the year.

Special focus

Small-company stocks are hot now *(see p. 143)*, but there's a big drawback for the individual investor: high trading costs. Trading in and out of small-capitalization stocks costs two commissions plus the spread between bid and ask prices, which tend to be large. A study by Barra, Inc. finds that the spread, in percentage terms, on stocks with market values of $50 million or less is 38 times that of stocks with capitalizations of over $5 billion.



The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	1.0%	7.5%	-2.0%
Sharpe/Barra Growth index[1]	0.7	12.4	-1.5
Sharpe/Barra Value index[2]	1.3	10.1	-1.5
Dow Jones industrials	0.7	2.0	-1.8
S&P 500	1.1	7.0	-2.4
NYSE	1.1	7.3	-2.1
Nasdaq	0.4	10.1	-4.1
Amex	0.9	2.7	-2.2
EAFE[3]	3.1	-10.5	-22.4
CRB index[4,5]	1.5	-10.9	-23.2
Gold[5]	-1.0	-1.3	-27.4
Yen[5]	0.1	-7.7	-15.3
Oil[5]	10.1	5.7	-47.9

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Triton Energy	32 3/8	59%	$-0.40	York Research	5 1/2	-69%	$1.03
Roberts Pharmaceutical	15 5/8	37	-0.82	ADC Telecommunications	27 1/4	-33	2.04
Advanta	23 1/4	37	2.13	Weitek	8	-30	0.44
Bank of Boston	10	36	-3.47	HealthSource	18	-29	1.94
Ecolab	27 5/8	35	1.99	Synoptics Communications	26 1/2	-24	1.93

The best and worst performing industry factors[8,9]

Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Liquor	18.6%	38.3%	Beverages	-5.4%	10.6%
Oil Service	4.7	-2.4	Pollution control	-4.8	-1.9
Banks	4.6	35.4	Tobacco	-4.1	36.8
Railroads, transit	4.5	29.4	Life insurance	-3.6	9.6
Soaps, housewares	3.7	17.8	Coal & uranium	-3.1	-8.1

Note: Data for period ending 7/25/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of a portfolio of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from Lynch, Jones & Ryan. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. Principal source: Barra, Inc., Berkeley, Calif.

FORBES/TUCS INSTITUTIONAL PORTFOLIO

BY STEVE KICHEN

Who made the most money?

Investment	Value of $10,000 invested 6/28/81[1]	Change last quarter
S&P 500	$42,259	-0.2%
Wilshire Index	37,348	-0.3
Institutional equity account[2]	35,532	-0.4
Shearson Lehman Govt & Corp	34,508	1.5
Institutional balanced account[2]	34,443	0.5
Institutional fixed income account[2]	32,422	1.8
Treasury index	22,101	1.5

Segment performance and cash flow

Segment	Most recent quarter: median total return	Most recent quarter: shift in institutional holdings
Equity	-0.4%	0.0%*
Fixed income	1.7	0.0*
Cash equivalents	1.6	-6.1
Convertibles	2.7	0.0*
Other[3]	1.3	0.0*
Total	0.1	0.0*

Bearish sign: Cash levels are low at the institutions, says George Wolfe, a vice president of Santa Monica, Calif.-based Wilshire Associates, a firm that tabulates data on $500 billion in pension fund portfolios with its Trust Universe Comparison Service. The TUCS tally of five years ago showed a median 7% of equity portfolios in cash. The current figure is only 5%. Similarly, fixed-income managers have been moving out of cash.

The stock market could not sustain the new highs it hit during the second quarter, but bonds made modest gains. The Shearson Lehman Government/Corporate bond index had a total return (includes reinvested dividends) of 1.5%, while the S&P 500's total return was a negative 0.2% during the quarter. The median TUCS equity portfolio was off 0.4%.

Why did the pros perform so poorly? Wolfe says they weren't exposed to enough value stocks. The Wilshire Small Company Value index (a capitalization-weighted portfolio of several hundred stocks with relatively low P/Es and price-to-book ratios) had a total return of 6.8% last quarter. And the Wilshire Large Company Value index returned 0.6%.

One smallish (in terms of sales) stock the institutions were buying is IVAX Corp., a pharmaceutical firm involved in the research, development and production of drugs for AIDS, Alzheimer's and other diseases. This speculative issue, which had 1990 sales of only $142 million, rose 46% in the quarter and now has a market value of over $1 billion.

What the institutions bought and sold

Big stocks[4]

Stock bought	Total quarter return	P/E	Stock sold	Total quarter return	P/E
General Cinema	3.2%	15	Avery Dennison	2.8%	NM
Hercules	-10.2	19	Beneficial	6.5	10
IVAX	46.2	NM	Centocor	-7.3	NM
Lyondell Petrochemical	13.2	5	Chemical Banking	24.4	14
Merrill Lynch	10.8	13	Compaq Computer	-50.3	6
National Health Labs	7.0	22	Computer Assocs Intl	14.7	12
Norcen Energy Resources	-7.6	12	Laidlaw	-19.5	12
Reader's Digest Assoc	0.8	20	MacMillan Bloedel	7.5	NM
RJR Nabisco	-10.6	NM	Scana	3.9	8
Safeway	-6.4	18	20th Century Industries	14.9	10
Viacom	7.0	NM	US West New Vector	-3.6	NM
Vons Cos	-17.8	19	Williams Cos	1.0	17

Secondary stocks[5]

Stock bought	Total quarter return	P/E	Stock sold	Total quarter return	P/E
Alpha 1 Biomedicals	-13.4%	NM	California Bancshares	10.0%	NM
DeVlieg-Bullard	30.4	9	Celgene	-21.9	NM
First Republic Bancorp	45.7	9	College Bound	13.2	47
Geonex	4.5	22	Cryomedical Sciences	68.8	NM
Graham-Field Health	3.6	27	Curragh Resources	-9.8	23
Insituform Mid-America	-3.4	20	Granada BioSciences	4.2	NM
Integrated Waste Svcs	29.7	28	Interneuron Pharmaceutical	19.4	4
Martech USA	-42.5	11	NBSC	12.4	69
Offshore Pipelines	-40.0	NM	Neolens	29.2	10
T Cell Sciences	-30.5	NM	PMC Capital	12.4	13
York Research	-11.5	18	Possis	-7.0	NM
Zila	10.0	NM	Tonka	-20.4	13

[1]Total return. [2]Includes cash. [3]Real estate, foreign investments, venture capital, guaranteed income contracts. [4]Stocks with $1 billion or more in market capitalization at start of quarter. [5]Stocks with market capitalization between $40 million and $200 million at start of quarter. *Less than 0.05 percent. NM: Not meaningful.

Note: What the institutions bought and sold measures the change in the institutional holdings as a percentage of a stock's total capitalization, net of price changes. Data for quarter ending 6/28/91. Prepared by the Trust Universe Comparison Service (TUCS), a service of Wilshire Associates, Santa Monica, Calif.

Annual Mutual Fund Survey

Performance ratings on 1,404 funds

September 2, 1991 Four Dollars

Forbes

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FORBES
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Cover illustration by Andrew Christie/Forbes

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Kennedy's right!

SIR: Having spent time in mainland China, Tibet and Burma, I strongly disagree with continuing most-favored-nation status for China *(Fact and Comment, June 24)*. China is practicing genocide in Tibet, supports a brutal police state in Burma and perpetuates many known abuses in its own country. Human rights in the Soviet Union were restored (to the extent they are) through a strong restrictive trade policy toward that country. As a Republican it hurts to admit that Kennedy and Mitchell are right on this issue!
–ROBERT H. DEMING
Golden, Colo.

Sugar bullies

SIR: The Nokyo cooperative bullies the Japanese farmer, irritates U.S. trade officials, and adds to the food cost of a Japanese household ("Bullies on the farm," *July 22*), but the

Tasuku Kanesaka
Japanese farm manager.

pernicious effect falls short of what the U.S. government subsidy for the sugar lobby does to distort the lives of the sugar-producing nations in our own hemisphere.
–CHARLES G. WESTWATER
South Nyack, N.Y.

Dissenting opinion

SIR: Re "Junk science in the courtroom" *(July 8)*. FORBES complains of expert witnesses being allowed to give their opinion and, most disturbingly, suggests that no expert should be allowed to give an opinion in court unless his opinion is approved by a federal agency such as the National Institutes of Health or the Centers for Disease Control. That would allow the control of both knowledge and opinion by the government. An odd view indeed for supposed champions of private enterprise and individual initiative.
–ROBERT H. WAGSTAFF
Wagstaff, Pope & Clocksin
Anchorage, Alaska

SIR: I agree that judges have a role in ensuring that the evidence introduced into our courtrooms is valid, applicable, and honestly presented. We offer comprehensive education and training for trial judges in evidentiary matters and all aspects of trial management.

As a society, we somehow expect men and women to become all-knowing once they put on black robes; the real truth is that they can be just as perplexed by these cases as any other nonscientist. Your article points out why American business needs to take an interest in improving the quality and efficiency of our nation's courts, and why judicial education is a wise investment.
–JUDGE V. ROBERT PAYANT
Dean of The National Judicial College
Reno, Nev.

Contingent M.B.A.s?

SIR: Re your article "Contingent income taxation" *(July 22)* on the Campbell ruling [which says tax shelter promoters who participate in their own deals must pay taxes up front on estimated future profits], I suppose that next spring when I hand my students their diplomas I should include a bill from the IRS.
–HERBERT MAYO
Professor of Finance
Trenton State College
Trenton, N.J.

Agri-business lending

SIR: To investigate whether small banks could be both highly profitable ("What am I doing wrong? I'm still making money," *July 8*) and sector specialists over the long run, we looked at agriculturally oriented banks over the decade of the 1980s. Qualification as a member of our "High Performance Bank" set included a return on average assets of no less than 1.1% every year. We found 204 banks which met our criteria in spite of the problems suffered by the agricultural economy during this period. Would that the "too big to fail" monsters were so well managed.
–DOUGLAS G. DUNCAN
GEORGE B. WALLACE
Agricultural economists
U.S. Department of Agriculture
Washington, D.C.

Drastic recommendation

SIR: You asked readers to let the Financial Accounting Standards Board know how foolish its ideas were *(Fact and Comment, June 24)*. I have a drastic recommendation to make: that you or others found a rival standards board and let the virtues of free competition work their magic. Accountants should remain servants of the business world, not masters.
–REUBEN WOLK
Miami Beach, Fla.

We yield

SIR: In the table of "100 U.S.-traded Foreign Stocks" *(July 22)* the sponsored ADRs of Reed International are identified as having a yield of zero. This is completely wrong.
–NIGEL STAPLETON
Finance Director
Reed International
London, England

Due to a computer error we didn't calculate a yield for Reed International. We should have shown a yield of 4.4% (based on the 5/31 price).—ED.

Dressing down

SIR: I take exception to "Dinnerhouse technology" *(July 8)*. The food at the Olive Garden restaurants is memorable. The salad is not "soggy with dressing." I have been to locations throughout the U.S. and have never been disappointed.
–JOANNE BIRD
Indian Head Park, Ill.

THE FORBES INDEX

BY TIMOTHY DODMAN

The Federal Reserve is again lowering the federal funds rate—what banks pay other banks on overnight borrowings—in hopes this will stimulate investment and capital spending. The M2 money supply (currency, checking deposits, savings accounts, small time deposits and money market funds) has grown at the lower end of the Fed's 2.5%-to-6.5% target range. Inflation, often a by-product of an expanding money supply, does not seem to be a problem: The producer price index for finished goods fell 0.2% in July and is only 2.9% above year-ago levels.

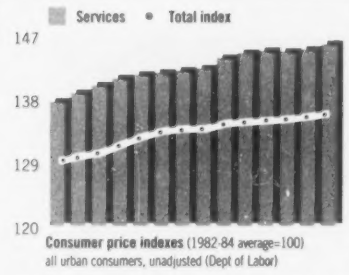
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-11.1%
Index of leading indicators June vs May	Dept of Commerce	0.5%
Trade balance 12 months ended May 1991	Dept of Commerce	-$85 bil
All-commodity producer price index July vs June[2]	Dept of Labor	-0.3%
GNP 2nd quarter vs. 1st—annualized growth	Dept of Commerce	0.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	2.8%

[1] U.S.-based manufacturers, excludes imports, as of 7/30/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

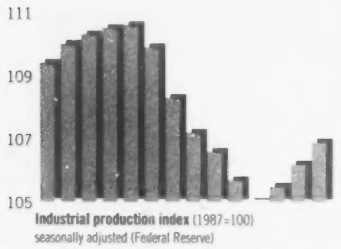
The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

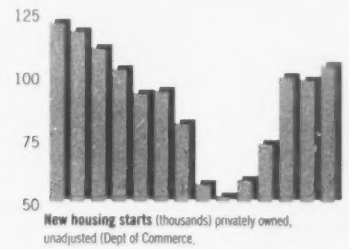


Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



Industrial production index (1987=100) seasonally adjusted (Federal Reserve)



New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

M J J A S O N D J F M A M J

M J J A S O N D J F M A M J

M J J A S O N D J F M A M J

A major auto industry grows in Mexico. Which is good for the U.S., but not necessarily for Detroiters.

"We do what Mexicans do"

By Jerry Flint

WHILE THE AUTO BUSINESS flags in the U.S., it is booming in Mexico. Domestic sales there have doubled in the last three years, and so has the number of cars produced for export, mostly to the U.S. And guess what? Honda and Toyota aren't the winners. They don't sell in Mexico. The winners are Ford, General Motors and Chrysler, plus Volkswagen and Nissan.

A new Ford Taurus costs around $25,000 in Mexico, about 50% more than in the U.S. Yet Mexicans will buy 650,000 new cars and trucks this year, against 550,000 last year. But there are still only 66 cars for every 1,000 people in Mexico, versus 500 cars for every 1,000 people in the U.S. Closing that gap to, say, 120 cars per 1,000 people would bring the Mexican car market to 1 million sales.

Thanks to protection against outsiders, the companies that have invested in Mexico are making good money even on their relatively low volumes.

But Mexico offers more than a good market. It is an increasingly favorable place to build cars and parts. With its hardworking people and low wages, Mexico is becoming a key piece in Detroit's entire effort to become profitable again.

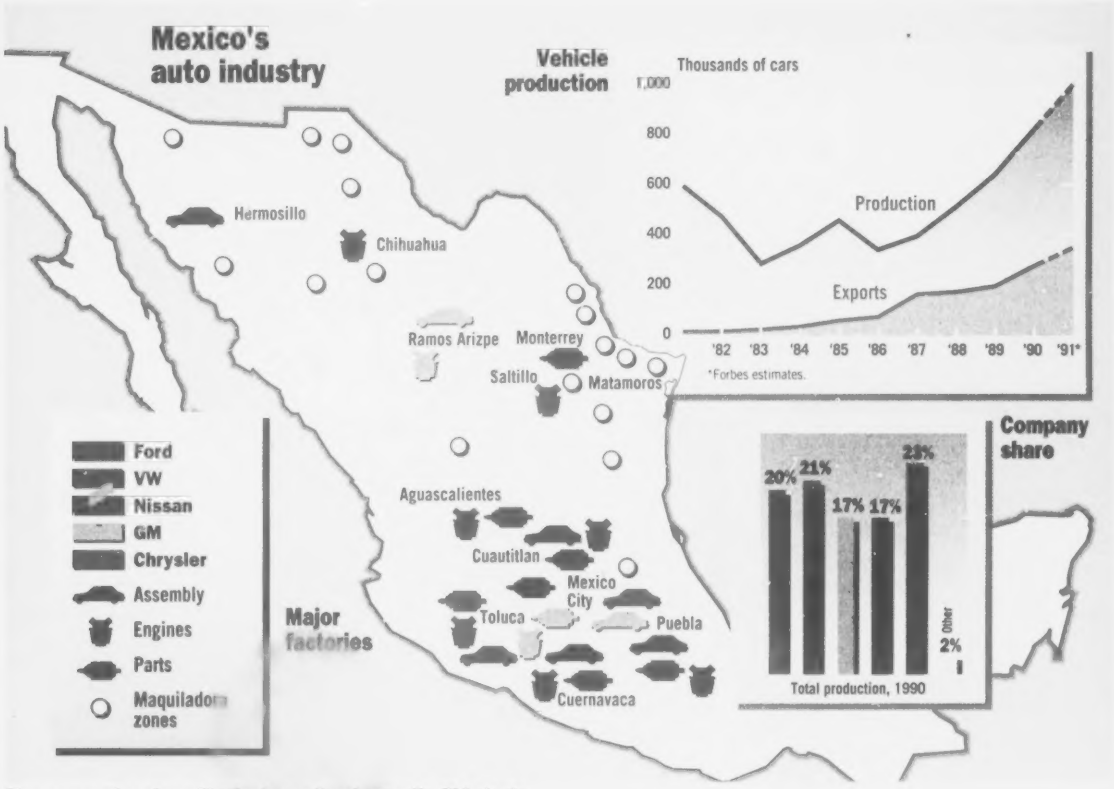
Of the nearly 1 million vehicles currently being produced in Mexico, close to 400,000 finished cars are for export, mostly to the U.S. and Canada. These include Mercury Tracers, Dodge Shadow convertibles, Buick Centurys, Volkswagen Golfs, plus millions of radios, engines and other parts. Total value: $7 billion shipped to the U.S. last year. The volume is likely to grow, particularly with the free-trade rules being drawn up now.

Volkswagen is creating an export-

Will van Overbeek

Chuck Almquist, manager of GM's Rimir maquiladora plant at Matamoros

"This is a $100 million investment. We're not talking about 15 sewing machines."



Five companies share Mexico's car/truck growth. Old plants ring Mexico City, while new factories and maquiladora parts plants are sited in the north and along the border.

oriented production base in Puebla, two hours outside Mexico City, in the shadow of the smoking Popocatépetl volcano. This year VW will send 400,000 engines and 200,000 axle sets back to Germany; from the fall of 1992 every VW Golf and Jetta sold in the U.S. and Canada will come from Puebla. "For the first time in our life, we're in sight of real economies of scale, and for our suppliers, too," says Martin Josephi, chairman of VW de Mexico.

Ford is spending $700 million to upgrade—and build new small engines at—its Chihuahua engine plant, which exported 270,000 engines last year. Nissan has proposed spending $1 billion on parts-producing plants and a new assembly plant in Mexico. Mercedes plans to assemble cars in Mexico and, if that works well, maybe export them to the U.S. Why? Because those Japanese luxury cars are killing Mercedes on price.

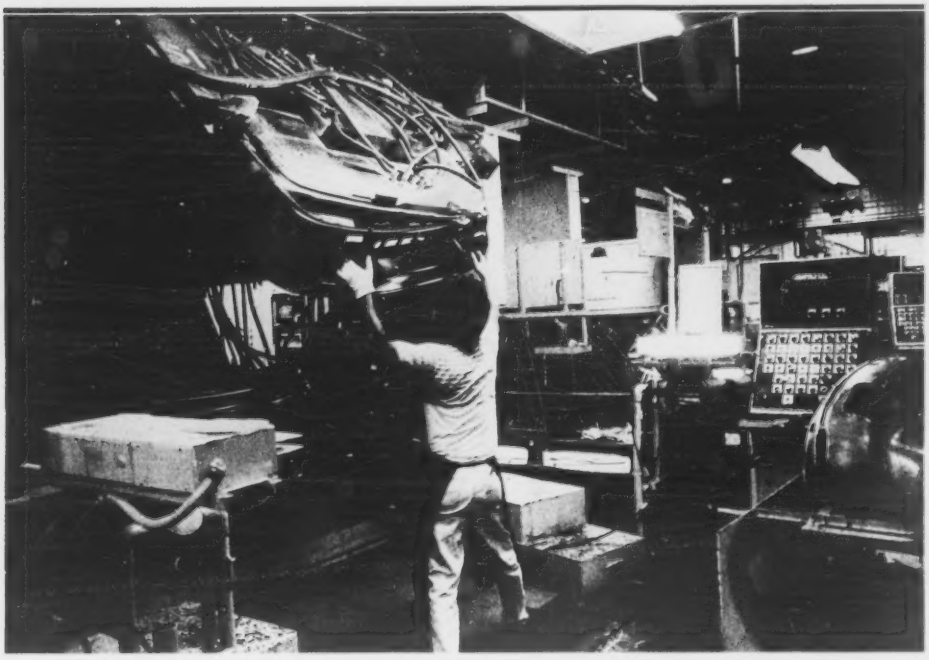
That Mercedes is interested in Mexico says something about the country's manufacturing quality. Last year a Massachusetts Institute of Technology study group called Ford's plant in Hermosillo better than the best plants in Japan. (The plant makes Ford Escort station wagons and Mercury Tracers for export only.) GM's chairman, Robert Stempel, says his engine plant in Mexico is his best worldwide, and his car plant at Ramos Arizpe is getting one discrepancy per car—"pretty top drawer for anybody."

"They [the foreign companies] are all over us on quality," says an executive from Grupo Summa, a major Mexican auto parts producer. "If we don't get Q1, we won't get the business. No Pentastar, we lose Chrysler. But that's all to the good." This businessman expects to triple his $100-million-a-year business in three to five years.

Mexico's basic attraction is, of course, its huge reserves of low-cost labor. In the U.S. wages and benefits run past $30 an hour for automakers. In Spain the figure is $16 an hour. In Mexico it's $1.55 an hour on the border and around $5.50 in Mexico City. That's for American companies. Mexican-owned partsmakers may not be nearly as generous. In the Mexico City area, for instance, the minimum wage is $4 a day.

Okay, wages are low, but how's the productivity?

At Chrysler's plant at Toluca, 4,000 production workers turn out 30 automobiles an hour. In a typical U.S. plant, 2,400 workers would roll 60 an hour. So the U.S plant is three and a half times more productive. But U.S. workers are at least ten times more expensive than their Mexican



William Denton

Pulling bumper fronts at Rimir **It's no surprise that Mexican workers are cheap by U.S. standards. The big surprise is the quality of their work.**

counterparts; net, the advantage swings to Mexico—and will continue to do so as new investment lifts Mexican productivity.

Not surprisingly, the United Auto Workers union is resisting the proposed U.S./Mexico free-trade agreement. But Martin Josephi, head of VW in Mexico, points out: "If the American companies don't ... shift to Mexico and get lower costs, they'll close the plants and lose the jobs anyway."

In one sense the Mexican plants may be saving some U.S. jobs. GM Chairman Stempel points to GM's Deltronicos *maquiladora*—foreign parts, Mexican assembly—plant in Matamoros, where 4,000 workers assemble 3 million car radios a year. This is no sweatshop operation. The plant is clean, air-conditioned and filled with electronic equipment, even a laser etcher. Its workers, mostly women in their early 20s, are better dressed at work than are people on the streets of Matamoros.

The plant's radios are shipped to the U.S. for installation in American-made GM cars and trucks. In a curious way, this low-wage plant helps preserve the jobs at GM's electronics complex in Kokomo, Ind., where 10,000 people work. "The high-tech in Kokomo is balanced with the manual work offshore," Stempel says. By investing in Mexico, he says, "we saved jobs rather than migrating jobs."

Rimir, another GM *maquiladora* at Matamoros, makes plastic bumper facias (fronts) and trim. A sister plant, in Anderson, Ind., makes similar parts. Rimir's low costs average down GM's total facia bill. "If I wasn't here our sister plant in Anderson wouldn't be here. We'd be out of the facia business," says Chuck Almquist, the plant manager. But Almquist makes another point. "Look, if we were just asking for cheap labor, we'd have all the plants in Haiti. GM likes to build where we sell. This is a $100 million investment. We're not talking about 15 sewing machines."

In the longer run wages will rise in Mexican automobile plants, but that will not end Mexico's advantage: There is still plenty of room to offset the cost increases with more investment in equipment. While a few Mexican auto plants, like Ford's Hermosillo plant, are state-of-the-art, most are years, decades, generations behind in technology. Cars are painted by hand with spray guns. Bumps and dings are filed down and polished with handheld files and metal finishing discs. You hear the pounding of hammers on metal; there are greasy pits with men working beneath cars. Fits are measured on old-fashioned jigs. Henry Ford—the original Henry Ford—would have felt at home in the Nissan plant at Cuernavaca.

It helps that Mexican labor is highly motivated. Roberto Gutierrez, the swarthy manager of Chrysler's Toluca plant, manages 4,000 production workers. He tells FORBES: "I said we don't do what the Japanese or anybody else does. We do what Mexicans do. People say we don't like to work too much. You like siesta. You don't want to be active. 'Okay,' I tell my people, 'continue that way. But do the job right, the first time.'

"We are very proud to say that [our quality] is better than the U.S.," Gutierrez continues. "People always ask me how many robots I use to build cars. I say I have 4,000 robots."

"A man loses this $1.50-an-hour job, he goes to 25 cents an hour, or maybe nothing," says Chrysler de Mexico's president, Carlos Lobo. "He cannot afford to lose the best job he will ever have." Mexican unions, unlike their U.S. counterparts, let the companies run the factories.

The carmakers are anxiously awaiting the final drafting of the U.S./Mexico trade pact. While present-

Chrysler's plant at Toluca

"A man loses this $1.50-an-hour job, he goes to 25 cents or maybe nothing."

ing them with opportunities, the agreement has its pitfalls for them, too. A special auto side pact is under negotiation now.

It's too early to know what the agreement will provide. But it is clear that the five automakers in Mexico, having invested billions in Mexican industry at the demand of the Mexican government, want protection.

They don't want to see Toyotas and Hondas taking their profitable volume away with cars exported south from new nonunion plants in Kentucky and Ohio. Nor do they want to see "screwdriver plants" in Mexico, with Mexican workers putting Japanese vehicles together from Japanese parts and shipping them north duty free, as Mexican cars.

In a larger sense, both countries have a lot to gain from the continued development of the Mexican industry. The U.S. wants a prosperous, stable Mexico, and the automobile industry is a magnificent engine for raising unskilled workers into the middle class. It creates not only better-paying jobs but also a class of skilled workers and managers, and demand for roads, services, gas stations, drive-ins, repairs.

Perhaps most important, it creates mobility and enables people to look about for the best job, the best price, the best place to live. Yes, growth of the Mexican industry will cost U.S. autoworkers jobs, but these jobs may be doomed anyway. As David Hendrickson, manager of GM's Deltronics plant in Matamoros, puts it: "I'd rather see a job go to Mexico than to Taiwan."

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Annual Fund Survey

Patrick McDonnell

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Do you spend too much time doing your tax returns? Would you have trouble identifying all your financial assets? Have you tended to lose money in stocks even in bull markets? Cure for these ailments: Buy mutual funds.

Using funds to unclutter your financial life

By William Baldwin

YOU MAY BE suffering from financial clutter. Among the symptoms of this disease: You have IRAs at different banks, maturing at different times. You have some inherited stock but have no idea what your tax basis is for the shares and aren't sure whether some of the certificates are missing. Your family has an assortment of U.S. Savings Bonds in odd amounts. Your taxes are a mess.

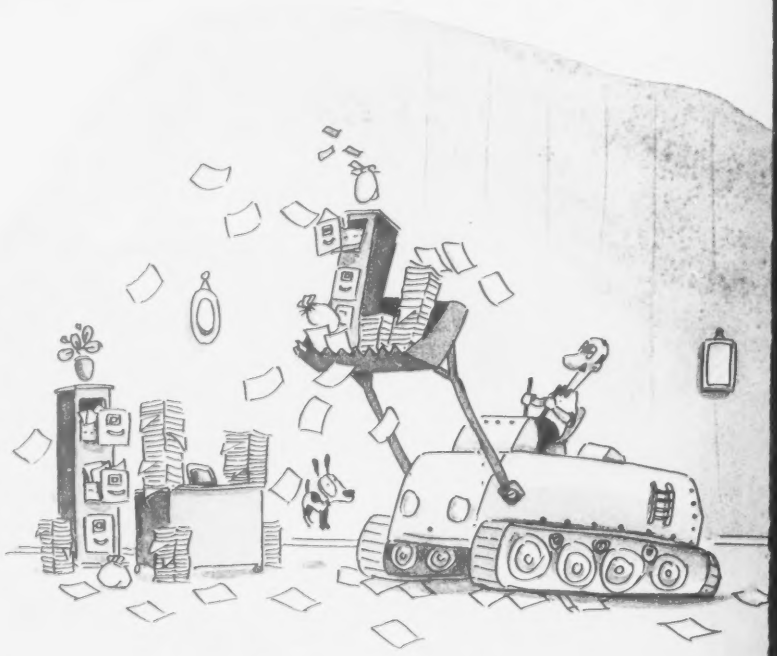
A lot of Americans suffer from clutter in their financial lives. Suffer needlessly, because a cure is at hand: funds. You can construct a well-diversified, excellently managed portfolio out of half a dozen mutual funds. Do it right, and you will shrink your pile of 1099 tax information returns to a simple few. Your stock funds will spare you running to the bank with $27 dividend checks. Your fixed-income funds will give you the higher returns offered on long-term bank CDs with all the liquidity of short-term bank accounts. You will get tax benefits: No-load mutual funds are an excellent vehicle for tax swaps.

Financial planners know clutteritis all too well because it often takes them months to cure a severe case. The typical patient has CDs at various banks because they are government-guaranteed and because the bricks and mortar seem so much more secure than a fund at the other end of an 800 line. "We jokingly say that you put everything in a shoebox," says Steven Enright, a planner in River Vale, N.J. "But often it wouldn't fit. You'd need a crate."

Enright describes one of his clients, a doctor: "He's approaching 60, with a portfolio valued in the millions. There were 26 individual accounts at brokers and mutual funds and banks, and 4 different checking accounts, exclusive of the practice. Plus he had real estate all over the place. There was no rhyme or reason. A broker would call and the doctor would say, 'Good idea. I'll buy some.' "

"I had a client who had so many different IRAs he had forgotten how many he had and where he had them," says Stephen Gorman, a planner with the Boston office of BDO Seidman Financial Services. "He also had a large chunk in a rollover account, $250,000. That was sitting in a bank money fund for a year. Because of the clutter he was forced to spend a lot of time on the little pieces and he wasn't investing the big piece."

Why do people do this to themselves? Part of it is being sold. Says Kurt Brouwer of Brouwer & Janachowski, a San Francisco financial adviser: "We had one guy with 30 cash-value life insurance policies. He had a hard time saying no." To this we say: Don't get sold; buy. Buy only the insurance you need, and don't make it your prime repository for savings.



(Variable annuities can be an exception to this rule, but they are really more mutual funds than insurance; see the article on page 194.)

To alleviate or even cure your clutteritis, put your savings into funds, preferably those with little or no sales loads. You are almost always better off selecting no-load funds either on your own or with the help of a fee-paid planner than through a broker who will collect a commission on the sale. Focused fund investments will simplify your life: All the information you need for tax purposes will be neatly provided for you by the fund; all you have to do is file it carefully away.

This issue of FORBES is designed to help you make your own investment decisions through the simplifying medium of mutual funds. The honor roll on page 160 lists 20 stock funds that have delivered consistent performance over the past decade. There are also 10 lists of Best Buys in fixed-income, international and small-company categories. These funds have above-average performance and low costs as well. The Best Buy money funds are simply the lowest cost ones.

Here's another reason people go into retirement with a tangle of bank accounts and stock and bond certificates stashed here and there: fear of loss. You could call it the squirrel reflex. They bury a nut under this tree, another under that one, thinking that no catastrophe can wipe them out.

But people who clutter up their lives for this reason often accomplish little true diversification, while saddling themselves with huge risks that they scarcely see. Enright recalls a client with $1 million from rolling over a company thrift plan. This executive had parked the money in 12 bank CDs. Of course he was trying to take advantage of the $100,000-per-account government insurance—unaware, no doubt, that he could have accomplished the same effect with a single purchase of U.S. Treasury notes. The bigger mistake was this: Preoccupied with credit losses, he didn't think very clearly about another risk—inflation. If you leave your money in fixed-income investments and spend the interest, it takes only 23 years of 5% inflation to wipe out two-thirds of the purchasing power of your principal. A safer investment for this saver would have been a $1 million balanced fund. Read the story on page 204.

Here's another risk that people don't think about: the risk that they or their heirs will lose track of assets. People move and forget to tell transfer agents where to send their dividend checks. They die, having forgotten to tell relatives about the certificates left in the bottom drawer. Exxon says that it can't locate 6,000 of its 625,000 shareholders. If they don't put in claims in time, the uncashed dividend checks and the shares will be handed over to a state treasurer.

Some people have dozens of financial relationships out of a misguided notion about economizing. Says Joel Isaacson, partner in charge of financial planning at CPAs Weber Lipshie in New York: "I've seen people buy one share of 30 stocks to participate in the dividend reinvestment plan. They think they're a genius for saving a commission." Then they sell some shares and spend two days figuring out what their tax basis is.

Ironically enough, much financial clutter, and its painful effects on tax preparers' bills, can be traced to tax aversion. This character trait has driven many an investor into tax shelters, sometimes dozens of them. Shelters are distinguished for their thin payouts and fat K-1 forms that have to be tracked down and sent to tax accountants in April. How much better off buyers would have been putting the same money into no-load municipal bond funds.

The shelter industry is in abeyance now, but it will surely resurface someday, perhaps in a different guise (such as a complicated insurance product). Avoid the temptation to invest in a complicated tax shelter. If you want the thrill of saving on taxes, do it with funds. Money market funds that buy primarily U.S. government paper are often exempt from state tax, as explained on page 292. Funds that buy state and local bonds are exempt from federal tax on the dividends; a table of Best Buys in municipal bond funds appears on page 164. And if you divide your fund accounts between two no-load families, you will be able to turn paper losses into tax losses, via the tax swap.

Here's how a swap works. Suppose you put $50,000 into a Vanguard municipal bond fund, interest rates spike up, and your fund's shares drop in value to $47,000. Sell, to realize a deductible $3,000 loss. Immediately buy $47,000 worth of a similar fund in, say, the Fidelity family. You remain fully invested, and don't miss out if the bonds rally. But, since the funds are not identical, you don't fall into a "wash sale" tax trap that would disqualify the deduction.

Of course, funds are useful for things other than just curing clutteritis. They do wonders for cases of congenital underperformance. Sufferers from this disease have done some trading in stocks, but find themselves buying the wrong ones at the right time and the right ones at the wrong time. They can't seem to make much money even in bull markets. A well-managed mutual fund ought at least to keep up with the market, and the management fees will cost you a lot less than brokerage commissions from constant, futile trading.

But don't let your portfolio of funds get too cluttered. It is an unusual investor who really needs more than half a dozen funds to build a well-diversified portfolio. If your chosen funds are from more than two families, consider consolidating them in a discount brokerage account. Charles Schwab, for instance, offers this service. Cut the paperwork. Spend your free time on the beach. Or working to improve your job performance. ■

This list of the best-performing stock funds is not a mere ranking of straight-line performance. To make the honor roll a fund must demonstrate consistency of results and strength in bear markets.

The honor roll

By Steve Kichen

THE SIMPLEST WAY to rate funds is by percentage gains over some past period. That's what most mutual fund surveys do. Simple, sure, but more than a little deceptive. The implication is that if a fund was up 15% a year in the past, it's likely to do 15% a year in the future. That implication is wrong. It's a little like saying that the most likely winner of the 1991 World Series will be the Cincinnati Reds, since they won last year. That catchphrase of fund prospectuses, "Past performance is no guarantee of future results," is an understatement. Past performance is only a weak indicator of future results. You can usually bet that this year's hot performer will be next year's laggard.

What, then, should you look for in judging a fund's performance if not a raw percentage? Our honor roll looks at three other factors: consistency, risk and continuity.

Consistency is built into the grades we award stock funds. We divide the measurement period into three market cycles so we can evaluate a fund separately in bull and bear markets. Stock funds are rated in the table beginning on page 211 for performance over as few as two market cycles, but the honor roll is limited to funds that have been around for the full three. The grading formula calls for something more than a simple average of returns over the three ups or the three downs. Unusually strong (or weak) performance in any given period is scaled back (or up), because it is unlikely to be repeated. Gold funds in the late 1970s, technology funds in 1982-83 and, recently, health care funds—all have had winning streaks. In our rating system those streaks count for less than they would in any system that measures straight-line performance over

Fund/distributor	Performance UP markets	Performance DOWN markets	Lead manager (years)	Average annual total return[1]	Hypothetical investment results[2]
Bergstrom Capital/closed-end	A	A	Erik E Bergstrom (15)	19.2%	$51,258
Dodge & Cox Stock Fund/Dodge & Cox	A	B	Multiple managers (10)[7]	15.1	34,457
Fidelity Destiny Portfolio I/Fidelity Distributors	A+	B	George Vanderheiden (11)	18.3	36,841
Franklin Growth Fund/Franklin Distributors	B	B	Jerry Palmieri (26)	14.7	37,320
Fundamental Investors/American Funds Group	A	B	Multiple managers (7)[7]	15.6	33,154
Guardian Park Ave Fund/Guardian Investor Services	A	B	Charles Albers (19)	15.7	31,809
IAI Regional Fund/IAI Funds	A	B	Julian P Carlin (11)	16.0	35,024
Investment Co of America/American Funds Group	B	B	Multiple managers (8)[7]	15.9	32,526
Lindner Fund/Lindner Management	D	A+	Robert A Lange, Eric E Ryback (10)	16.8	37,458
Mutual Benefit Fund/Mutual Benefit Financial Service Co	A	B	Multiple managers (7)[7]	15.9	34,367
New England Growth Fund/TNE Fund Group	A	B	G Kenneth Heebner (15)	18.0	41,307
Nicholas Fund/Nicholas Co	B	A	Albert O Nicholas (22)	16.2	39,780
Phoenix Growth Fund/Phoenix Equity Planning	A	A	Robert Chesek (11)	18.3	42,236
T Rowe Price International Stock Fund/T Rowe Price Associates	B[9]	B[9]	Martin G Wade (11)	20.4[10]	33,503[10]
Scudder International Fund/Scudder Investor Services	C[9]	B[9]	Nicholas Bratt (7)	20.4[10]	32,208[10]
Selected American Shares/Kemper Securities Group	C	A	Donald A Yacktman (8)	15.5	34,334
Shearson Appreciation Fund[11]/Shearson Lehman Brothers	B	B	Harold L Williamson Jr, Harry D Cohen (9)[7]	15.0	36,152
Source Capital/closed-end	D	A+	George Michaelis (13)	15.6	32,037
United Income Fund/Waddell & Reed	A	A	Russell E Thompson (12)	17.7	36,247
Washington Mutual Investors/American Funds Group	B	A	Multiple managers (8)[7]	16.9	36,424

[1]From 11/30/80 through 6/30/91, before deducting loads and taxes. [2]Value on 6/30/91 of $10,000 invested 11/30/80, after load and taxes, for hypothetical upper-income investor. Assumptions: Investor has $100,000 of gross income in constant 1984 dollars, deductions equal to 20% of income—15% after 1986—and four exemptions. Loads applied at 6/30/91 rate. [3]Average of price/earnings ratios for stocks in portfolio as of 3/31/91, weighted by size of holding. Source: CDA Investment Technologies. [4]Lesser of security sales or purchases, divided by average net assets. [5]Most funds have lower minimum requirements for IRAs and automatic savings plans. [6]Closed-end funds have no loads, but hypothetical results column assumes a 1% brokerage fee to buy shares. [7]Average tenure of managers, with ten years maximum credit for each. [8]Operates as a contractual plan, requiring monthly investment, with a decreasing load for larger investment

five or ten years. Further reinforcing that consistency requirement, we exclude sector funds, which can do well by dumb luck—if their sector is hot.

To sum up: We don't dish up raw numbers. We mix in a substantial element of judgment.

Next, we rate risk. The honor roll is limited to funds that earn B or better in bear markets. There is no minimum for up-market grades. Lindner Fund, for example, gets an up-market D but a down-market A+. Why so much focus on bear market performance? It's a way of excluding funds that did well in the 1980s not so much from skillful stock picking as from taking aggressive or leveraged positions. Remember that the 10½-year measurement period has been a freakishly good one, in which the S&P 500 returned an average 14.2% a year. The emphasis on bear market grades makes up for the fact that the 1990s are likely to bring longer or more severe bear markets than we experienced in the recent past.

Finally, we rank funds on continuity. We limit the honor roll to funds whose managers have served in that position for at least seven years. Last year that rule forced us to drop Fidelity Magellan, which had been on eight previous honor rolls. Morris Smith has done a fine job at Magellan since taking over from Peter Lynch last year. Over the 12 months ended June 30 Magellan had a total return of 9.7%—better than the 6% return for the average stock fund in this survey. But this snapshot doesn't tell us how well Smith could guide the fund in a bear market. It doesn't give him a chance to prove any consistency of performance. In contrast, the Mutual Benefit Fund qualifies by dint of the long-tenured talent on its stock picking committee—never mind that its insurance company sponsor has been seized by New Jersey regulators.

A lot of funds have been around for three full market cycles, do better than the pack in bear markets and have had the same management for at least seven years. Out of this group we select the 20 best in long-term performance. Those results, labeled "Hypothetical investment results" below, measure what a $10,000 investment would have turned into over the three market cycles, after deductions for taxes and sales load. One more requirement: The fund must be open to new customers. That rules out the Vanguard Windsor Fund, CGM Capital Development Fund and two Mutual Series funds.

Getting on the Forbes honor roll is tough. The rules are demanding. Stock funds that don't meet these criteria, and fixed-income funds in various categories, still have a shot at the Best Buy rankings, where low cost counts heavily in the score. See pages 162, 164, 174, 198, 204, 292 and 293.

Net assets ($mil)	Maximum load	Annual expenses per $100	Weighted average P/E[3]	% of assets in cash	Portfolio turnover[4]	Minimum initial investment[5]	Fund (consecutive years on honor roll)
$89	NA[6]	$0.99	25	8%	10%	NA	Bergstrom Capital (8)
239	none	0.65	15	4	7	$2,500	Dodge & Cox Stock Fund (2)
2,024	NA[8]	0.44	17	0	71	NA	Fidelity Destiny Portfolio I (9)
275	4.00%	0.73	18	27	6	100	Franklin Growth Fund (3)
965	5.75	*0.70*	20	16	12	250	Fundamental Investors
259	4.50	0.67	15	8	47	1,000	Guardian Park Ave Fund (4)
325	none	*1.01*	22	23	169	5,000	IAI Regional Fund (3)
7,643	5.75	*0.55*	17	19	11	250	Investment Co of America (2)
783	none	0.83	16	13	13	2,000	Lindner Fund (3)
42	4.75	1.01	14	16	6	250	Mutual Benefit Fund (3)
734	6.50	*1.23*	27	0	185	1,000	New England Growth Fund (7)
1,715	none	0.81	16	9	22	500	Nicholas Fund (10)
977	4.75	*1.08*	23	22	275	500	Phoenix Growth Fund (3)
1,291	none	1.12	17	9	47	2,500	T Rowe Price International Stock (2)
899	none	1.17	22	9	70	1,000	Scudder International Fund
557	none	*1.10*	19	10	48	1,000	Selected American Shares (3)
1,410	5.00	0.84	18	11	30	500	Shearson Appreciation Fund (6)
304	NA[6]	0.97	17	20	43	NA	Source Capital (3)
1,894	8.50	0.67	16	4	31	500	United Income Fund (3)
6,792	5.75	*0.77*	16	4	11	250	Washington Mutual Investors (2)

contracts. Hypothetical investment result assumes a single investment of $10,000 on 11/30/80, with a simulated load of 12.4%. This load reflects both sales and account maintenance charges. [9]Grades for foreign funds depend on long-term performance against other foreign funds. [10]Average annual total return covers period from 9/30/82 to 6/30/91, the time span used to measure the performance of foreign stock funds. Hypothetical return is measured over the same period as domestic stock funds. [11]Formerly SLH Appreciation Fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* NA: Not available or not applicable.

Best Buys

The honor roll on page 160 focuses on performance. Our Best Buys selections here and on page 164 also look at performance but give equal weighting to price. By price we mean the money taken out of your pot by the fund's sponsor, either in a one-time sales load (which we assume is spread over five years) or in the annual expense ratio. Funds are scored on each factor, and the scores are added to give a combined rank; funds are listed in the Best Buys tables in descending order of this rank. Funds are penalized in the price calculation for temporary absorption of expenses and in the performance calculation for volatility. The Best Buys money funds, pages 292 and 293, are selected solely by expense ratio.

Taxable bond funds

How do you find a good bond fund? First decide how far out on the yield curve you want to stick your neck. Short-term funds will be damaged the least if interest rates rise; long-term funds will do better if rates stay constant or fall. Ginnie Mae funds are somewhere in between in their sensitivity to interest rate fluctuations. Next, look at price and performance. In these rankings, the two elements are given equal weight. (Note that only one load fund makes the list.) The Best Buys ranking of junk bond funds appears on page 174.

Fund/distributor	5-year total return annualized	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/91 ($mil)
Short-term						
Vanguard Fixed Income–Short-Term/Vanguard	8.3%	very low	Ian MacKinnon (9	$0.31	none	$1,143
Federated Short-Intermediate Govt/Federated	7.7	very low	Roger A Early (4)	0.48	none	1,220
Federated Intermediate Government/Federated	7.9	low	Roger A Early (4)	0.51	none	740
T Rowe Price Short-Term Bond Fund/Price	7.1	very low	Edward A Taber III (7)	0.93	none	217
Long-term						
Federated Income Trust/Federated	9.1	low	Gary J Madich (4)	0.50	none	987
USAA Mutual–Income Fund/USAA	9.8	high	John W Saunders Jr (6)	0.46	none	656
Value Line US Government Securities/Value Line	8.8	low	Not disclosed	0.66	none	311
Transamerica Income Shares/closed-end	10.2	high	Multiple managers (10)[1]	0.69	none	122
Montgomery Street Income Securities/closed-end	8.7	average	Steve Wohler (4)	0.68	none	149
Columbia Fixed Income Securities/Columbia	8.7	average	Multiple managers (8)[1]	0.68	none	164
Ginnie Mae						
Federated GNMA Trust/Federated	9.7	high	Gary J Madich (4)	0.52	none	1,288
Vanguard Fixed Income–GNMA/Vanguard	9.6	high	Paul Sullivan (11)	0.34	none	3,564
Benham GNMA Income/Benham	9.5	high	Randall Merk (4)	0.72	none	495
Franklin US Government Securities Fund/Franklin	9.5	low	Jack Lemein (7)	0.52	4.00%	11,810
AARP Income Trust–GNMA & US Treasury/Scudder	8.4	low	David Glenn (6)	0.79	none	2,942
Fidelity Ginnie Mae/Fidelity	8.8	average	James R Wolfson (3)	0.80	none	776

[1]Average tenure of managers, with ten years maximum credit for each.

Municipal bond funds

The Vanguard Group, which prides itself on low expenses and an absence of loads, dominates the rankings of national municipal bond funds. Residents of high-tax states are often better off with a portfolio of local muni bonds; we show the top-ranked Best Buy in each of eight important states.

Fund/distributor	5-year total return annualized	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/91 ($mil)
National						
Vanguard Muni Bond–Intermediate/Vanguard	8.4%	average	Ian MacKinnon (10)	$0.26	none	$1,766
Vanguard Muni Bond–High Yield/Vanguard	8.7	very high	Ian MacKinnon (10)	0.26	none	1,117
Vanguard Muni Bond–Insured Long-Term/Vanguard	8.5	high	Ian MacKinnon (7)	0.26	none	1,437
Safeco Municipal Bond Fund/Safeco	9.1	high	Stephen Bauer (10)	0.56	none	357
Fidelity Tax-Free–Aggressive/Fidelity	8.8	average	Anne Punzak (6)	0.66	none	584
Vanguard Muni Bond–Long-Term/Vanguard	8.6	very high	Ian MacKinnon (10)	0.26	none	754

One-state

Fund	3-year total return annualized	Yield[1] (%)	Manager (years)	Fund	3-year total return annualized	Yield (%)	Manager (years)
Vanguard Calif Tax-Free–Insured L-T	8.9%	6.1%	Ian MacKinnon (5)	Franklin Minn Insured Tax-Free Inc	8.7%	6.6%	Donald S Duerson (5)
Spartan Connecticut Muni–High Yield	8.5	6.4	Peter Allegrini (3)	Vanguard NJ Tax Free–Insured L-T	9.2	6.2	Ian MacKinnon (3)
Fidelity Mass Tax-Free–High Yield	9.1	7.0	Guy E Wickwire (3)	Fidelity NY Tax-Free–High Yield	8.5	6.7	Gary Swayze (3)
Fidelity Michigan Tax-Free High Yield	8.6	6.9	Peter Allegrini (3)	Vanguard Penn Tax-Free–Insured L-T	9.1	6.3	Ian MacKinnon (5)

International stock funds

Funds that buy stocks overseas are divided into two groups: global funds, which mix U.S. and foreign securities; and foreign funds, which put all or almost all of their portfolios in foreign stocks. Both kinds of funds benefit from a weakness in the dollar on currency markets.

Fund/distributor	5-year total return annualized	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assets 6/30/91 ($mil)
Global						
Vanguard World–US Growth/Vanguard	11.7%	average	J Parker Hall (4)	$0.66	none	$651
Pax World Fund/Pax World	10.3	low	Anthony S Brown (20)	*1.17*	none	179
Vanguard World–International Growth/Vanguard	10.7	average	Richard R Foulkes (10)	0.77	none	825
USAA Investment–Cornerstone Fund/USAA	10.6	low	Multiple managers (7)[2]	1.18	none	573
Foreign						
Vanguard Trustees Commingled–Intl/Vanguard	13.5	low	Dean LeBaron (7)	0.44	none	843
Vanguard Special–Gold & Prec Metals/Vanguard	13.4	high	David J Hutchins (6)	0.42	none§	175
Mexico Fund/closed-end	53.5	very high	Jose Luis Gomez Pimienta (10)	1.45	none	464
T Rowe Price International Stock Fund/Price	12.4	low	Martin G Wade (11)	1.12	none	1,291

[1]Total investment income dividends over the past 12 months, divided by June 30 net asset value. [2]Average tenure of managers, with ten years maximum credit for each. §Distributor may impose redemption fee, which proceeds revert to the fund. *Italicized expense indicates 12b-1.*

A conservative fund, Franklin Utilities doesn't do well when stocks rise. But it has done stunningly well over the long pull.

Sector funds: utilities

By Eric Hardy

IN THE OLD DAYS utility stocks were, like bank stocks, high-yielding yet safe. Today utilities are still just like banks: high-yielding and hazardous. With Public Service Co. of New Hampshire and now Columbia Gas trooping into bankruptcy court, any illusion of security in this sector is gone. Those lush dividends can be cut and stock prices can fall—witness Columbia's collapse from 40 to 14.

But if utilities are going to be risky, at least they can be rewarding. Thus it is that the Franklin Utilities Fund has delivered an average total return of 16% per year during the last three market cycles (Nov. 30, 1980 to date), almost two points ahead of the S&P 500 index.

Established in 1948, Franklin Utilities is the oldest fund in this sector. It is also one of the more conservative. Gregory Johnson, manager of the fund with his father, Charles (the Johnson family controls the fund's publicly traded distributor, Franklin Resources), avoids turnaround candidates like Columbia at one extreme and the high price/earnings telephone utilities at the other. The Johnsons prefer electric utilities, which make up 84% of their fund. And when they find something they like, they hold on to it. A flood of new money helped the Johnsons keep portfolio turnover of the $1 billion fund to only 2% last year.

One favorite: Pacific Gas & Electric, which, says Johnson, operates in "one of the best growth regions of the country," California's Bay Area. PG&E's 6.2% yield is slightly below the industry average. Cost overruns at the Diablo Canyon nuclear plant forced the company to cut the dividend in 1988. The project completed, PG&E is poised to raise its dividend quickly, says Gregory Johnson.

The Johnsons also like Philadelphia Electric, although Philadelphia is not a prime growth region. Philadelphia Electric is probably best remembered as the company whose employees were caught napping while they were supposed to be running a nuclear power plant; it has also had to contend with a much smaller than requested rate increase to pay for its Limerick 2 nuclear plant. But the firm, says Johnson, "has put its nuclear problems behind it." For this year *Value Line* predicts $4.10 in cash flow (net income plus depreciation), against only $2.60 in capital expenditures. Johnson expects the company to increase its dividend at a faster rate than the industry average.

Where have the Johnsons gone wrong? In believing utility executives who said they could diversify effectively. "We held on to Pinnacle West [an Arizona electric that bought a savings and loan in 1986] too long," Gregory Johnson says. "We didn't sell even after we lost faith in management because this diversification sounded like such a good deal." Having learned his lesson, he now shuns utilities that wander far from their core businesses, such as Pacific Enterprises, a gas company that went into drug retailing. He dumped the Group, the Florida electric company, after it diversified; the company is back on Johnson's buy list after having agreed to sell its Colonial Penn insurance subsidiary. He has never owned Cincinnati Bell, in part because of its $5 million investment in equipment manufacturer AT&E Corp., which went bankrupt in July.

The Johnsons' approach creates a portfolio with an unusually high yield of 7.2%, second only to that of Duff & Phelps Utilities Income among the utility sector funds. Over the past decade that yield, reinvested and compounded, has contributed importantly to total return and stability—enough so that Franklin Utilities would be on the Forbes honor roll *(page 160)* if sector funds were allowed. But in the post-1987 stock market rally, its tilt to higher-yielding, slower-growing stocks has hurt the fund. Since mid-1988 Franklin Utilities has averaged a 10% total annual return, versus 16% for Fidelity Select Utilities. In sharp contrast to the Franklin fund, the Fidelity fund buys a lot of telephone utilities. A weak stock market, however, would probably give the tortoise a chance to catch up with the hare. Franklin Utilities rates an A+ in down markets.

Utility funds

Fund	Total return 5-year —annualized—	Total return 3-year —annualized—	Maximum sales charge	Annual expenses per $100	Yield (%)
Prudential Utility Fund	10.1%	13.6%	5.25%	*$0.97*	5.2%
Fidelity Select–Utilities	9.4	15.5	3.00	1.65	2.8
ABT Utility Income Fund	8.5	10.8	4.75	*1.25*	5.6
Franklin Utilities Fund	7.7	10.3	4.00	0.60	7.2
Fidelity Select–Electric Utilities	5.8	11.9	3.00	2.27	3.8

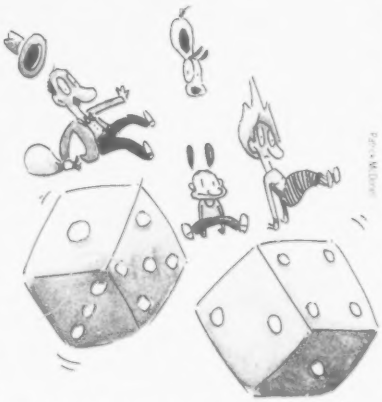
Italicized expense indicates 12b-1.

More than a dozen utility sector funds are now available. But only five have been around for at least five years.

Investors panicked out of junk bond funds last fall. Now, with prices much higher, they're crowding back in.

Junk gets hot

By Laura Jereski



YOU COULD MAKE a nifty contrarian indicator out of mutual fund sales. In the spring of 1987, just before the stock market crashed, the public bought stock funds heavily; after the crash, investors were net sellers. Buy high, sell low.

They're doing it again, this time with junk bond funds, the ones that specialize in bonds that are, at best, of less than top quality and, at worst, shaky. Last year investors piled out of such funds, with net redemptions of $1.5 billion. As the panic mounted, the market for junk bonds turned up. Price gains, coupled with the oversize interest yields that define this security, fueled a 21% total return for the junk market in the first half of this year.

And now what are fund customers doing? Buying, of course. Junk funds' cash inflow in July alone was at a record-breaking $650 million, estimates Salomon's junk bond research director, Joseph Bencivenga.

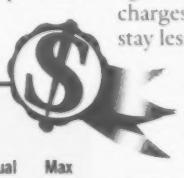
This does not prove that we are near a top for junk bonds. It is simply an early warning in a market that could have a ways further to go. It is especially a warning to timers who switch in and out of funds. If they sold junk last fall and are buying it now, they are already losers.

The attraction of junk bonds is this: Even though yields have fallen substantially since the beginning of the year, they still offer yields averaging close to 14% as of Aug. 9, six percentage points above Treasury notes. (The number comes from the Merrill Lynch high-yield master index, which covers 638 issues ranging in quality from BB down to C.) Thus a junk bond portfolio could suffer considerable erosion from defaults and threatened defaults, and still beat a portfolio of government paper.

There are, meanwhile, three reasons junk bonds ought to be worth more now than a year ago. First, holders have, by fighting in bankruptcy court and haggling outside it, wrested better terms than they used to have from junk issuers. This is a change from 1990, when organizers of leveraged buyouts were cavalierly offering to buy in their own debt at as little as 40 cents on the dollar while giving up little equity. No more: Last month leverage artist William Farley agreed to forfeit 95% of West Point-Pepperell to debtholders.

Also brightening the picture for junkholders: A spate of equity infusions earlier this year bolstered many credits, including Duracell, RJR Nabisco and AnnTaylor. Finally, there is some evidence that insurance companies and thrifts have finished the worst of their dumping.

But if the risk in junk bonds has lessened somewhat, declining yields have made them less attractive. A lot of recent buyers are telephone switchers coming in from low-yielding money market funds and equity funds. Such buyers could pull out as quickly as they moved in. Indeed, switchers poured $150 million into Fidelity's two junk funds—the $200 million Spartan High Income and the $1 billion Fidelity Capital & Income—since May. "This is hot money," worries Neal Litvack, vice president of marketing at Fidelity Investments. "It is just as likely to flow out when the market hits a bump." To discourage switchers, Capital & Income charges a 1.5% exit fee to holders who stay less than a year.



Of course, with $230 billion worth of junk outstanding, it's unlikely that redemptions from junk bond funds could crash the market. Still, it's no time to throw caution to the winds. If you want to enjoy the relatively high yields still offered by junk bond funds, take a hard look at what funds are buying—and what they are paying. Don't get greedy: You can get 12.7% in a junk bond fund like Vanguard Fixed Income-High Yield that invests fairly conservatively.

Don't, for example, rush to the funds with the highest yields. Dean Witter High Yield was the top-performing junk fund of the first half of this year, with a total return (price

Best Buys: junk bond funds

Fund	5-year total return annualized	Risk level	Manager (years)	Annual expenses per $100	Max sales charge
Merrill Lynch Corp–High Inc-A	8.7%	low	Vincent Lathbury (9)	$0.69	4.00%
Vanguard Fixed Inc–High Yield	6.5	low	Earl McEvoy (7)	0.40	none
Federated High Yield Trust	7.0	average	Mark E Durbiano (4)	0.78p	none
Kemper High Yield Fund	8.2	high	Multiple managers (7)†	0.88	4.50
Fidelity Capital & Income Fund	5.5	very low	Multiple managers (1)†	0.81	none§
T Rowe Price High Yield Fund	5.4	low	Richard S Swingle (7)	1.03	none

†Average tenure of managers, with ten years maximum credit for each. §Distributor may impose redemption fee, which proceeds revert to the fund. p: Net of absorption of expenses by fund sponsor.

These high-yield funds are listed in descending order on a scoring system that rewards good performance over five years, low annual expenses and low or no sales loads.

change plus income) of 44%, according to Lipper Analytical Services. It currently pays 18.4%, much higher than Vanguard's fund. But Dean Witter High Yield has 19% of its assets in zeros, which pay no cash interest and are highly volatile. Note that despite its stunning 1991 gain, the Dean Witter fund has, among open-end bond funds, the worst record over the past five years, with an average annual loss of 2.7% a year.

If the current economic pickup loses steam, some of the riskier issues will be in trouble, especially those that have shown the greatest gains. The 14% senior subordinated notes, maturing in 1998, of Cullum Cos., a Dallas-based supermarket chain whose operating income over the last 12 months ran a thin 1.3 times interest, leaped nearly five points in a week, closing near par. Playtex Family Products zeros of 1997 went from the low 60s two months ago to a recent 70¾, close to their accreted value. (The accreted value is the original issue price with compound interest to date added in. It is comparable to par value in a coupon bond.) Yet Playtex is barely able to cover interest from its operating income.

Even riskier junk issues like American Standard's 0/14¼%s of 2003 or Charter Medical's 0/13%s of 1998 have jumped so that they currently yield 18% to maturity, versus the 30% and 40%, respectively, that they yielded in January. Bonds of sickly Burlington Industries stay stubbornly as much as 20 points above the prices the company is offering to pay to buy them back, which range from 12 cents on the dollar for the most junior debt to 55 cents for the most senior. This while the textile industry has yet to turn around and Burlington has been forced to sell its auto textile business.

In short, there is quality junk and speculative junk. And it takes whole teams of lawyers and accountants to tell them apart. So don't venture into this market except through a mutual fund. And remember, you're not getting in at the bottom.

Our Best Buys ranking *(p. 174)* rates junk bond funds on a scale that gives equal weight to risk-adjusted performance and low cost. A listing of all junk funds with at least $100 million in assets begins on page 278. ■

Why are equity mutual funds managed by big brokerage firms usually poor performers?

House brands

By Gretchen Morgenson

OF THE 41 domestic equity funds managed by Merrill Lynch, Shearson, PaineWebber, Dean Witter and Prudential Securities, only 2 have beaten the market since 1988. Over the period, not one of these five brokerage firm families outperformed the S&P 500 *(see tables)*.

Adding insult to this injurious performance: Brokerage firms consistently rank low on quality of service provided to fund customers. According to a 1990 survey by Jay Schabacker, editor of the newsletter *Mutual Fund Investing*, Shearson, Dean Witter, Prudential and PaineWebber received "below average" service ratings from 10,000 newsletter subscribers who were polled.

There was an exception: Merrill Lynch funds were spared investors' wrath in this survey.

Why can't most brokers do better? Expense ratios, averaging 1.6% a year on the big brokers' equity funds, make market-beating tough. Add in the effect of fund sales loads and portfolio-trading commissions, neither included in the expense average, and the customer has a very uphill battle. Especially so in funds managed by Shearson: In the past 12 months

Patrick McDonnell

How the big brokerages stack up

Firm	Brokers	Funds*	Assets ($mil)	Avg 3-yr relative performance
Shearson	8,600	13	$3,796	95
Prudential	6,000	9	4,403	96
Merrill Lynch	11,800	8	6,410	95
Dean Witter	7,000	7	5,335	96
PaineWebber	4,500	4	427	99

*Includes only domestic equity funds with three-year returns.
Source: FORBES database.

For all their high-priced talent, Wall Street firms' mutual funds had trouble keeping up. A relative performance of 96 means that a fund lagged four points per year behind the S&P 500.

Shearson's equity funds turned in the worst performance of the big brokerage fund groups. Over three years it ranks near the bottom with Merrill Lynch. One contributing factor: Shearson's average expense ratio of 1.9% is substantially higher than the 1.3% average for stock funds.

Brokers can sell more than just the funds created by their own firms. They can earn a commission from almost any load fund, including those offered by such independent fund vendors as the American Funds Group and Templeton Funds Distributors. But your broker will have a strong incentive to push the load funds offered by his own company. If he succeeds, the firm stands to take in not only the sales commission but also the ongoing management fees for running the portfolio and a piece of the brokerage commissions generated by the in-house funds.

Is there a conflict of interest involved in the management of mutual funds by large investment firms? All brokerage firms make an effort to keep their money management activities separate from their investment banking. But whether or not there is conflict of interest, suspicion remains.

Consider GenRad, a maker of computer-controlled testing equipment. At last count, Shearson's Small Capitalization Fund owned 130,000 shares of GenRad, its Fundamental Value Fund owned another 100,000, and its Aggressive Growth Fund owned 250,000. Having turned in its fifth loss in six years in 1990, the stock was recently skulking around 3¼. Shearson's affiliate Lehman Brothers has managed three underwritings of GenRad stock since 1980 at prices ranging from 42½ to 18½.

Stevens Graphics is a Fort Worth-based printing company. Shearson underwrote an offering of the company's shares in January 1990 at 16¼. Sales for the six months ending in June sank 47%, and recently the stock was at 6⅛. The Small Capitalization Fund owns 60,000 shares. In all, 15% of this fund is invested in companies for which Shearson managed or co-managed an underwriting.

How free to pick their own stocks are the fund managers at firms like Shearson? Are they bound by the judgments of the parent firm's research department? Shearson is a big fund player, with around $3.8 billion in its domestic equity portfolios, the most offered by any big brokerage. Jerome Miller, president of Shearson's asset management group, says his fund management operation is "100% independent" of the research department. The fact remains that Shearson analysts' recommendations are often found in Shearson funds.

Consider two holdings in Shearson's Small Capitalization Fund, which is down 14% for the past 12 months. The Nov. 30 portfolio listed 27,000 shares of Y&A Group, valued at 10¾, and 50,000 shares of America West Airlines, at 5⅝. These two stocks made up 2.6% of the portfolio. They have been a disaster for the fund.

Last year Edward Tirello, an analyst who recently left Shearson for Smith Barney, was banging the table advising Shearson customers to buy Y&A stock. The St. Louis engineering firm made news earlier this year when its chairman disappeared amidst charges of fraud. The stock collapsed and was delisted by Nasdaq in April.

As for America West Airlines, Shearson analyst Helane Becker recommended the stock in August 1989 at 9 and promoted it until last May, about a week before the airline filed for Chapter 11 bankruptcy. So persuasive was Becker that Shearson clients ended up owning a big chunk of America West stock. The stock was recently trading around 2¾. The small-cap fund's manager, Richard Freeman, defends his record, insisting that he makes his stock picks completely independent of Shearson's research department.

There's one winner in Shearson's stable: the Appreciation Fund. This 20-year-old fund, conservatively run by Harold Williamson Jr., 70, and Harry Cohen, 50, has been on the Forbes honor roll since 1986. Williamson and Cohen do their own research, preferring big companies with strong-balance sheets. Their low 30% turnover doesn't produce much in the way of commissions for the parent. Unlike other Shearson offerings, Williamson and Cohen's fund does not exact 12b-1 fees; its expense ratio is a very respectable 0.84%.

So there are good brokerage house funds and poor ones. But even if you are a satisfied customer of a given brokerage account, you would be wise to set your horizons beyond your broker's in-house funds. Your registered rep can do a lot of things for you, but with mutual funds you will be better off on your own with the help of the FORBES survey. ■

Not so hot

Distributor	Average equity perform[1]	Equity assets[2] ($bil)
Janus Capital	22.3%	$3.3
AIM Distributors	17.5	2.5
Twentieth Century Investors	14.9	8.3
IDS Financial Services	14.6	6.1
Fidelity Distributors Corp	13.2	35.0
Nicholas Co	13.1	2.3
Massachusetts Financial	12.8	4.4
American Funds Group	12.8	25.4
Putnam Financial Services	12.3	6.5
Prudential Securities	12.3	4.5
Dean Witter Reynolds	12.1	5.8
American Capital Marketing	12.0	4.2
Waddell & Reed	11.3	3.9
Neuberger & Berman	10.9	2.2
Scudder Investor Services	10.6	2.5
Dreyfus Service Corp	10.0	5.2
Shearson Lehman Brothers	9.8	3.8
T Rowe Price Associates	9.4	5.8
Merrill Lynch Funds Distrib	9.3	6.5
Oppenheimer Fund	9.1	3.5
Vanguard Group	8.7	17.0
Lord Abbett & Co	8.4	3.7
Delaware Distributors	8.2	2.4
Pioneer Group	7.9	6.2
Heine Securities	7.9	4.3
S&P 500	14.6	

[1]Weighted three-year compound return. [2]As of June 1991, domestic equity funds only.

No wonder index funds are getting popular: Only 3 of the 25 largest domestic stock fund groups beat the S&P 500 over the past three years. Compound annual returns are weighted by assets.

If you want European exposure and you like small-company stocks, USF&G's European Emerging Companies portfolio is intriguing.

Advice like the Rockefellers get

By Richard Phalon

THE European Emerging Companies Fund has done poorly of late. Hit by the ripple effects of the U.S. recession, softening currencies and political uncertainties, European small-company stocks have been put through the wringer. The stocks in the $26 million (net assets) fund's portfolio are cheap enough to warrant a serious look.

Launched by the Fort Washington, Pa.-based Over-the-Counter Securities Group in 1989, the fund started out as a real barn burner: up 26% in its first year of operation. Then came the U.S. intervention in Kuwait and the long slide in European markets that saw the EEC fund's net asset value drop 25% (to around $10 a share) from last summer through June of this year.

A certain cachet attaches to the fund, despite its volatility. It is the only publicly owned investment company advised by Rockefeller & Co., which runs more than $2 billion for some 200 very private clients, most of them descendants or institutional offshoots of John D.

The Rockefellers launched the EEC Fund after buying its original manager, the old OTC Review Management Corp. The latter was sold last year to USF&G Corp., the Baltimore-based insurance and financial services combine. The USF&G subsidiary distributes the shares of EEC and its stablemate, the America-oriented Over-the-Counter Securities Fund.

Rockefeller & Co. continues to run the EEC portfolio, but despite the magic of the family name, the fund right now is something of a hard sell, concedes Richard E. Smith III, chairman of USF&G Review Management Corp. But he notes that earnings multiples on many European small-cap stocks are a lot lower now than a year ago; that, he says, should make the fund a better buy.

"It has always mystified me that stocks are the only assets that become less attractive the cheaper they get," says Smith. "It's not like cars. You cut prices, you can move cars, but not stocks."

Working in Smith's favor is the difficulty of buying these stocks individually. Combine unpredictable earnings patterns, shaky balance sheets, currency risks, differences in accounting practices and typically strung-out settlements on trades, and you've got a package that carries considerably more hazards than a U.S. o-t-c stock. A fund is often the only plausible way to buy into Europe.

Among the long-term rewards EEC and the other U.S.-owned Eurocentric funds look to *(see table)* are those that will prospectively flow from the elimination of U.K. and Continental tariff barriers next year.

As to risk, the Rockefeller & Co. managers are trying to reduce it partly through diversification. The portfolio has 77 stocks in 11 countries. Among them: Brau und Brunnen, a German brewer whose real estate portfolio alone is supposed to be worth more than the market value of the stock; Cristalleries Baccarat, the French crystalmaker, which sits on undervalued land holdings in Paris; Zodiac, with perhaps 30% of the world market in inflatable dinghies; and Iberica del Frio, a Spanish producer of supermarket refrigerator display units.

Smith argues that European small-cap stocks have been beaten up so badly in the last year that they are now much cheaper than American small caps. He cites cases like these: Intrum Justitia, a U.K.-based debt-collection and credit-management outfit, priced at $1.26 and 7.4 times expected earnings; and Cambridge Group, an Irish leasing and financial services company whose earnings are growing at better than 25% a year and whose stock, at 88 cents, is trading at about 6.6 times expected 1991 earnings. Risky? Smith does not disagree. "What we tell investors," he says, "is that they need perspective, patience and the financial ability to accept greater risk in search of substantial long-term rewards."

The fund charges a load that starts out as 5.75% but declines to zero for purchases over $1 million. ■

Fund	Assets ($mil)	Total return 3-year annualized	Total return 12-mo annualized	Maximum sales charge	Annual expenses per $100
GT Global Growth–Europe	$1,344	9.2%	–18.9%	4.75%	*$1.90*
Merrill Lynch EuroFund	556	10.0	–9.3	6.50	1.15
Dean Witter European Growth	289	NA	–14.1	5.00b	*2.41*
Fidelity Europe Fund	287	7.9	–18.9	3.00	1.36
T Rowe Price Intl EuroStock	91	NA	–15.0	none	1.75p
Financial Strategic–European	65	9.0	–12.5	none	1.29
Shearson Invest–European	28	8.7	–13.0	5.00b	*2.98*
European Emerging Cos	26	NA	–25.1	5.75	*2.25p*

b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. *Italicized expense indicates 12b-1.*

European funds look rather weak in recent performance. But maybe that's because European stocks have simply gotten too cheap and the dollar too dear—and that would make this sector a good buy now.

This low-risk commodity fund delivered a satisfactory 12% return. And what did the customers do? They deserted in droves.

Unrealistic expectations

By Suzanne L. Oliver

In 1989 Paul Tudor Jones II, the controversial commodities trader, was hot. Over the four preceding calendar years he had delivered a 102% compound annual return (after fees) to his clients. So when Merrill Lynch and Jones got together to offer a commodity pool to the public, they stuck the Tudor name in its title and signed up over 7,000 investors. Tudor Prime Advisors Fund L.P. took in $87 million in its initial offering and began its trading on Mar. 1, 1989.

Jim Dratfield/Matrix

Paul Tudor Jones II **His multi-adviser fund disappointed investors expecting 100% returns.**

Results since then have not been so bad—a compound annual 12%. This is a quite satisfactory return, representing, as it does, performance net of the considerable trading costs built into a commodity fund like this one. The average public commodity fund, according to *Managed Account Reports* in New York City, has eked out a return of just 4.6% over the same period. Moreover, the Tudor fund delivered its gains with less volatility than that of the stock market and the typical commodity pool.

Yet mass redemptions have reduced the fund's assets to $46 million. The buyers were disillusioned. The performance was nothing like the 100% boasted about in the prospectus. Nor does it come close to the 48% annualized return over the past 28 months that Paul Tudor Jones, 36, has delivered on his now private Tudor Futures Fund, which is closed to new investors.

Tudor Prime's shareholders not only didn't get rich, they didn't get instant gratification. Returns were slow in coming. At the end of 1989 the fund's net asset value was unchanged at $100 a share. Despite penalties for early withdrawals, shareholders redeemed $18.6 million worth of shares that year. In March of 1990 the redemption charge dropped from 3% to 2%, and the fund suffered its largest monthly share redemptions.

It was a classic case of impatience leading to a bad investment decision. Those investors who pulled out did so at precisely the wrong time. As Iraq's invasion of Kuwait heated up the commodities markets, Tudor Prime Advisors picked up steam and delivered a 36% return by the end of 1990.

This year? Tudor Prime Advisors is being outpaced by the stock market, and more investors have headed for the exits. As of June 30 the fund's net asset value per share was down 3.5%, while the S&P 500 was up 14%. Investors have withdrawn another $8 million from Tudor Prime Advisors. Commodity investors, it seems, have fairly short attention spans. Much too short for their own good.

Why haven't Merrill Lynch's mostly small investors done as well as the big rollers in Jones' private fund, where the minimum investment was $25,000? Jones does not make all of Tudor Prime's trades. He manages only a portion of the money, farming out the rest to other trading advisers, eight initially. Therefore, Jones' Tudor Futures Fund makes much bigger, or more concentrated, bets than the Tudor Prime Advisors Fund, scoring bigger returns when Jones is right but losing more when he's wrong.

The trouble with the policy of splitting the money is that in the commodity business, next year's winners list won't bear any resemblance to this year's. Three studies have been made of public commodity funds by finance professors Edwin Elton and Martin Gruber of New York University and Joel Rentzler of City University of New York. The studies reported that public commodities funds' one-year or even three-year returns have next to no correlation with their future

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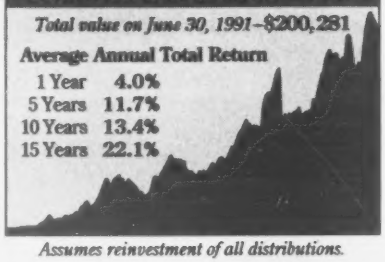
10 Years	13.4%
15 Years	22.1%



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performance. Jones may be an exception to this rule—Tudor Futures Fund has been a winner in commodities for most of the past seven years—but he has had a hard time finding other advisers with similar skills.

All eight of the original trading advisers either have been fired or have resigned. One departed adviser is Jones' own Tudor Systems Corp., which followed a technical trading system developed by its then 28-year-old president, Peter Borish. The system had a mere month of performance history reported in the prospectus for the Tudor Prime Advisors. No matter. Jones allocated $9 million to Tudor Systems. But the unseasoned computer model proved too volatile, and Borish decided to withdraw Tudor Systems from the fund in 1990.

High costs certainly reduced performance, too. While Merrill Lynch didn't charge a sales commission to compensate brokers selling the fund, it earned hefty brokerage commissions for executing the fund's buy and sell orders. Merrill got 1.25% of assets per month to cover brokerage commissions and in turn paid Jones 40% of its commission take for his work hiring and firing subadvisers. The Merrill commission rate was cut last year to 1% a month. Still, that adds up to 11.3% a year. So far Merrill Lynch has collected $22 million in trading commissions, passing along $8 million to Jones.

But there is more: Commodity trading advisers get incentive fees; if an adviser is successful, he keeps 22% of his gains. Meanwhile other advisers could be losing money, and they chip in nothing. Thus, it is quite possible for the fund to be paying out big incentive fees at a time when the advisers as a group are just treading water. That's exactly what happened to Tudor Prime Advisors in the first quarter of this year. The fund as a whole was off 4.9%, before trading fees due to advisers, but still owed $240,598 to the advisers that were making money.

Chances are that a lot of the disappointed investors who first rushed in, then rushed out, hadn't thought about all these pitfalls. If they had, they might not have been turned off by 12%—which is pretty darn good, considering. ■

Financial sector funds took a harsh beating the last few years. Philip Dubuque's Financial Services portfolio escaped that fate by stretching the definition a little.

Sitting this one out

By Roula Khalaf

IF YOU PUT YOUR MONEY in financial services in the last few years, chances are you're still licking your wounds. The 1987 market crash was just a warmup for the real estate crash that is killing so many banks, thrifts and now insurance companies.

But in a terrible market, some investors did much better than average, and one of them is Philip Dubuque, 29, manager of Invesco's Financial Strategic-Financial Services portfolio. Financial Strategic's performance was as feeble as the others on our list until Dubuque took over. Since then, he has proved that a sector fund doesn't have to behave like its sector.

Here's the score: According to Morningstar, the Chicago fund-rating company, financial services funds lost 16% on average in 1990, while Dubuque's was off only 7%. By contrast, Fidelity's financial services fund, which steadfastly hung on to stocks like Manufacturers Hanover, was down a devastating 24% last year.

In the first half of this year financial services funds were up an average 29%; Financial Strategic was up 34%.

Dubuque has managed the fund since March 1990 after working as a financial services analyst for four years with banks in St. Louis and Chicago. He worked out a novel approach to the industry: If you can't find sound companies in financial services, sneak out of the mainstream and into the fringes. As bank stocks bottomed in October of 1990, Dubuque's fund was only 17% in banks. The rest was in a vaguely financial melange ranging from computer software to health care management. It included: Keane, a custom software provider to hospitals and financial service companies; Equifax, which sells credit reports; Preferred Health Care, provider of mental health care management to insurers; Cash America Investments, a pawnshop operator; H&R Block; and Union Corp, a collection agency. When attractive candidates dried up, Dubuque simply held cash—up to 45% at one point last year. Thus were his investors spared in the 1990 massacre of bank stocks.

"These companies are not the pure ones, but they're financial companies in one way or another," asserts Dubuque. "If there's distress in the industry, there's always someone who's going to benefit. The collection companies, for example, did." Most of his "quasi-financial" stocks were either up or flat in 1990. Bank stocks were off an average 30%.

Last November, however, Dubuque decided that the badly beaten banks were finally due for a rebound, and started moving out of the computer and health care management stocks and back into banks. His favorites are NBD Bancorp in Detroit, a busy buyer of smaller banks; Pittsburgh's PNC Financial, in which Dubuque sees tremendous earnings momentum; and Cleveland's Ameritrust Corp., now in merger talks.

Dubuque also has a good portion of his fund in Fannie Mae, Freddie Mac and Sallie Mae. Says he: "They're monopolies or oligopolies, and therefore I don't see a whole lot of risk of margins deteriorating."

He is still cool to big New York banks. "The regionals are where the action is," he says. "We'll continue to see a lot more mergers and, more importantly, we're going to have a national interstate banking bill in the next three years.... Midwestern banks didn't have the excess loan growth. They tend to have better management, and they've already gone through somewhat of a recession on the industrial side."

All this switching, of course, has a price. Dubuque's turnover rate was a staggering 500% last year. "Bank and insurance stocks tend to move quickly," he says. "If I make good money, I don't mind moving on to something that has a better risk/reward." Feverish trading can hurt a fund, by running up transaction costs (brokerage fees and marketmakers' spreads). Dubuque, however, seems to have made up for these costs by trading his way around a lot of potholes.

Financial services funds

Fund	Manager (years)	Assets ($mil)	5-year return (annualized)	Maximum sales charge	Annual expenses per $100
Financial Strategic-Financial Svcs	Philip Dubuque (1)	$41	10.1%	none	$1.28
Freedom Inv-Regional Bank	James Schmidt (6)	51	7.8	3.00%b	2.07
Century Shares Trust	Allan W Fulkerson (15)	147	7.8	none	1.03
PaineWebber Regional Financial	Karen Finkel	43	6.6	4.50	1.67
Fidelity Select Regional Banks	Steve Binder (1)	29	6.4	3.00	2.51
Fidelity Select Financial Svcs	Bruce Herring	39	–1.0	3.00	2.49

b: Includes back-end load that reverts to distributor.

Financial services funds are on the rebound, after having been beaten for years. Financial Strategic leads the group in five-year performance. It's also cheap, with relatively low annual expenses and no sales load.

Charles Albers, a five-timer on the honor roll, combines two approaches to investing. The combination has served him well.

Momentum—and value

By Suzanne L. Oliver

CHARLES ALBERS, 50, is a methodical man. He runs 4 miles three times a week—always on Saturday, Sunday and one weekday—and he doubleties his shoelaces. He also manages the $275 million Guardian Park Avenue Fund with the assistance of a mechanical stock-scoring system. "It's practical," he says.

Albers began experimenting with stock-scoring systems while working as an analyst for the *Value Line Investment Survey* in New York City. He developed his current system after joining Guardian in 1971. His approach has served Guardian Park Avenue shareholders well. Since the fund began in 1972 with Albers at the helm, it has achieved a 15.2% average annual return, compared with 11.7% for the S&P 500. The consistency of Albers' performance, and the relatively low risk in the fund (it gets a B in down markets), put him on the FORBES honor roll for the fifth time this year.

Does Albers always win? Hardly. In 1989 and 1990 he badly underperformed the market with an 8.6% two-year return, compared with the S&P 500's 27.5%. But this year he has shone like gold. The same factor that held him back in 1989 and 1990 propelled him into the vanguard this year: small-company stocks.

Albers' system scores a stock primarily on three measures of "momentum": dividends, stock price and earnings. If a stock's growth in these three categories outperforms its industry or the market, Albers takes a second look. The Albers system also throws in three measures of underlying value: the ratio of price to book value and the ratio of price to two different present-value figures. One of these figures is the discounted present value of cash flows, cash flow being defined as net income with depreciation added back. The other is the discounted present value of all future dividends. Of course, these valuations are only as good as the estimates of profits and dividends that go into them.

Sonia Moon

Charles Albers of Guardian Park Avenue Fund

Small stocks were his downfall and his salvation.

In 1986 the system was giving the stocks of large companies low scores. Their prices, earnings and dividends were growing nicely, but as the market rose they were falling down on all three value scores.

So, with the new money that was rapidly coming into the fund at the end of 1986, Albers bought small stocks such as the petroleum refiner Holly Corp., American Software and the microcomputer maker Telxon. Albers was too early. Except for a brief resurgence in 1988, small stocks continued to be the market's plodders.

This January small stocks came back with a vengeance. So did the Guardian Park Avenue Fund, which is up 23.4% through July, versus 19.6% for the S&P 500. Among its winners is Surgical Care Affiliates, a chain of outpatient surgery centers, whose stock has quadrupled since January, to 44¼. Albers, who began buying the shares in February 1990, has an average cost of $9 a share.

"We think our underperformance is behind us," says Albers. But he's still waiting for another one of his strategies to pay off. Over the past two years Albers has cut back his holdings in consumer stocks, selling out of 1980s standouts like Sotheby's, Nike, Outboard Marine and De Beers Consolidated Mines. Why? For one, the index of consumer goods stocks has reached an alltime high relative to the S&P 500. On his measurement system old consumer standbys like McDonald's, Wal-Mart, Limited and Gillette have some of the worst scores of the 850 stocks Albers currently follows. So Albers sold many of his stocks in that sector—too early, as it turns out. He is waiting to be vindicated there.

Meanwhile, the small stocks in Albers' portfolio are chalking up substantial gains. The fund's position in $260 million (revenues) Clayton Homes is up almost 100%. Albers expects this manufacturer of medium-

price homes to increase earnings in its next June fiscal year at least 15%, to $1.30 a share. The regional airline, Atlantic Southeast, has benefited from the dismantling of its chief competitor, Eastern Metro. Its share price has more than doubled in 1991, and earnings are supposed to grow 50% this year. In spite of its runup, Atlantic Southeast is still selling at just 13 times trailing earnings.

Close to 15% of Guardian Park Avenue Fund's portfolio is in financial services stocks. One of Albers' largest holdings is Firstar Corp., a Milwaukee, Wis.-based bank holding company that recently joined with Banks of Iowa. The merged company's loan quality is high, and reserves cover an ample 170% of the merged company's nonperforming loans. Selling at nine times trailing earnings, Firstar still looks cheap.

Another holding is the small, Stamford, Conn.-based reinsurer Trenwick Group. In a bad environment for property and casualty insurers, this $122 million (revenues) company has tripled its income since 1986. The share price of the thrift H.F. Ahmanson has increased almost 70%, to a recent 18¾, since it appeared in Albers' portfolio last fall. Its earnings are expected to increase 28% this year.

Another favorite sector of Albers is transportation. The fund's position in trucker Arnold Industries, which Albers began buying in 1989, has gained 65%. The company's return on equity over the past five years has averaged 24%. Albers also likes Consolidated Rail Corp. and CSX, especially because of their frequent stock repurchases.

It is the nature of the stock market that sometimes it is propelled more by momentum than by value. At those times, funds like those in the Twentieth Century family do well. At other times, pure value dominates, and funds like those in the Mutual Series family do well. Albers belongs to both of these camps. He follows high-momentum stocks until their prices get too far out of line relative to their book values, future cash flows and dividends. Then he switches over to the value school of investing and looks for stocks selling at bargain prices. A novel combination of approaches that seems to work well. ■

Here's an investment that kills you for bailing out early. Yet the low liquidity makes sense for people who would otherwise kill themselves with in-and-out trading.

The case for the variable annuity

By William G. Flanagan and David Stix

PAT, 62, is a successful writer who has most of his retirement money in mutual funds. When the Persian Gulf war loomed last fall and the market sagged, he panicked and pulled out of his equity funds in a depressed market. He never got back in, and now watches his money languish at money market rates.

"I guess I don't have the discipline to be a smart investor," he admits. "The only reason I didn't bail out in the '87 crash was because it happened too quickly."

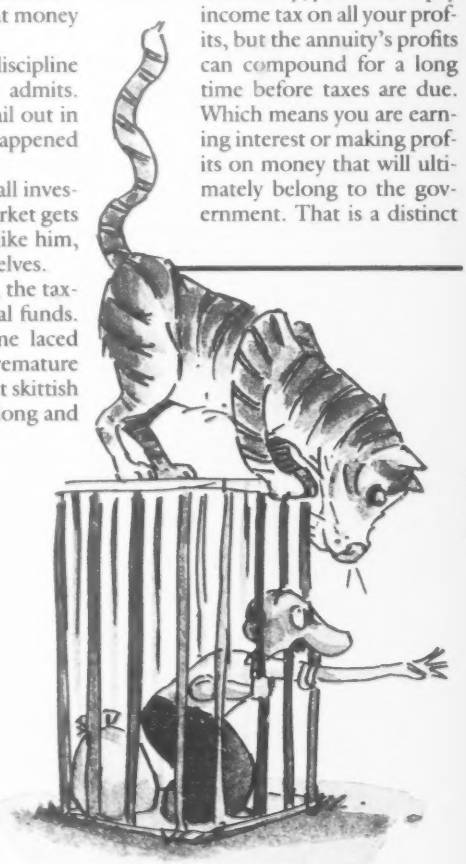
It's an old story. Many small investors chicken out when the market gets scary. Pat, and many others like him, have to be saved from themselves.

Enter the variable annuity, the tax-deferred alternative to mutual funds. Most variable annuities come laced with so many penalties for premature withdrawal that even the most skittish investors are forced to think long and hard before bailing out. Long and hard enough, one hopes, for the market to rebound and chase away any lingering doubts about the investment.

What are the penalties? They come in two forms. One is a tax penalty: If you withdraw funds before age 59½, you owe ordinary income tax plus a 10% penalty tax on any gains.

The other penalty is imposed by the vendor. Even if they don't carry upfront sales loads, most annuities have back-end surrender charges. These can be as high as 7% in the first year but typically fall to zero after five to ten years.

Much has been written about which performs best long term—a taxable mutual fund or a tax-deferred variable annuity, identically invested. Ultimately, you have to pay income tax on all your profits, but the annuity's profits can compound for a long time before taxes are due. Which means you are earning interest or making profits on money that will ultimately belong to the government. That is a distinct



Patrick McDonnell

The latest tax shelter

Sponsor	Mutual fund[1]	Fund: max load[2]	Fund: annual expenses[3]	Fund: 12-month return[4]	Annuity: max load[2]	Annuity: annual expenses[5]	Annuity: 12-month return[4]
Equitable	Balanced	5.25%	1.15%p	9.7%	6.00%	1.75% + $30	6.6%
Fidelity	Asset Manager	none	1.16	16.6	5.00	2.25 + $30	15.6
Prudential	Equity	4.50	1.01	14.6	7.00	1.76 + $30	13.8
Scudder	Capital Growth	none	1.07	–0.4	none	1.42	1.9
Vanguard	Index Trust–500	none	0.19 + $10	7.2	none	0.95 + $25	—[6]

[1]In each case annuity is a clone of, or very similar to, the mutual fund. [2]Maximum sales and/or redemption fee. [3]Management fee and overhead, as a percent of assets. [4]Total return, after annual expenses but before sales load. [5]Sum of annual expenses on underlying fund and mortality and other charges for insurance. [6]Annuity not in operation for full period. p: Net of absorption of expenses by fund sponsor.

Many funds these days have a tax-deferred annuity clone. But the tax deferral comes at a price—higher annual fees. Minimum investments range from $1,000 to $10,000.

advantage over the mutual fund, which is taxed annually.

But offsetting this advantage are the higher annual fees on annuities. Why does the annuity cost more? Because its expenses cover not only overhead but also a "mortality and expense" charge. This covers the small dose of life insurance that comes with the annuity. (Namely: If you die before cashing out, your heirs get the amount in the account or the amount you originally invested, whichever is greater.)

So is the annuity a better long-term buy than the fund?

The answer depends on five factors. One, the type of investment and its annual performance. Two, the sales load, if any, and the annual fees. Three, your tax rate. Four, whether you are young enough to owe the penalty tax when you cash out. Five, how much of your return in the fund takes the form of appreciation in the fund's shares, as opposed to distributions. It is often overlooked in this analysis, but ordinary mutual funds can deliver tax-deferred performance, too—if they don't trade too heavily (and thus do not incur too many capital gains, which are taxable in the year realized).

The Vanguard Index Trust–500 Portfolio, for instance, has appreciated, in round numbers, from $14 a share to $35 over the past 15 years. That (approximately) 150% return remains tax deferred to anyone who hasn't yet cashed out, and it comes without any "mortality" charge. In addition, of course, the Vanguard fund has paid cash dividends of both ordinary income and realized capital gains. The annuity-versus-fund debate hinges on how much benefit you derive by deferring taxes on those dividends; the higher your marginal tax rate, the more you benefit.

No simple formula will tell you whether the annuity's tax deferral more than makes up for its higher costs. But here's one example that will give you an idea of what is going on. Assume that your money is going to be invested in an S&P 500 index portfolio, and that the portfolio earns about 10% a year before expenses—what the index has done over the past two decades. At Vanguard, your choice is between a garden-variety fund carrying a 0.19% annual expense and a nearly identical annuity portfolio costing 0.95% *(see table)*. Assume, as well, that about half your return takes the form of unrealized appreciation in the portfolio, the rest the form of distributions that will be immediately taxable if you go the fund route. Your combined state and federal tax bracket is 38%, and you are old enough not to have to worry about the IRS penalty. How long do you have to stay invested for the annuity to beat the fund? Eight years.

Let's change the assumptions a bit. Your investment choice is an actively traded portfolio, like the Fidelity Asset Manager, and all of the returns are taxed every year if you pick the fund. Fund expenses, 1% a year; identical annuity, 2%. The annuity begins to be a better buy after 12 years. If you cash out after 15 years, a $10,000 investment would grow to $22,960 after taxes in the annuity, but to only $22,380 in the fund.

The point here is that there is some benefit from deferring taxes, but you should keep this benefit in perspective. Bear in mind that the annuity does not exempt you from any taxes, it merely defers them. With the fund, you are recognizing some income along the way, so the remaining taxable gain when you cash out is smaller; with the annuity, the whole gain is taxed when you cash out. If tax rates go down over the next ten years, you will do better than expected with the annuity; if they go up, you will do worse.

One other consideration, and a very important one, weighs in favor of the annuity. You don't have to cash out in 10 years, or even 15. Take the annuity as a monthly check during retirement.

"A great deal of the variable annuity's advantage is wasted if it is surrendered in one lump sum at retirement," argues Rodney Rohda, president of Fidelity Investments Life Insurance Co.

Sure, Fidelity, like most other companies selling annuities, has an interest in your not taking your cash in a lump sum. It likes to continue extracting those high annual fees.

Still, for the likes of Pat, it could be sage advice. Remember, Pat has trouble making and sticking with investments to start with. So what would he do with the money if he settled with the taxman and cashed out? For him, it could still be better—economically and psychologically—to draw out the money slowly, allowing the tax deferral to continue to work for him.

Moral: Don't drive yourself nuts with the math. Variable annuities work best for nervous Nellie investors who would otherwise sit on the investment sidelines for years, wondering what to do. Maybe that's why they are so popular.

The trouble with successful small-company stock pickers is that they get shoved into a large-company style. Can the Ariel funds' John Rogers escape this fate?

Just saying no

By Richard Phalon

TO THE GROWING LIST of money managers who got too successful investing in small-company stocks, add John W. Rogers Jr., founder and president of the Chicago-based Ariel Capital Management Co. So much new money has been flooding into the firm that he can't really be a specialist in small-company stocks anymore. Mindful of the pressures on him, Rogers has decided to slam the hatches—closing the larger of the two mutual funds he advises, Calvert-Ariel Growth Fund, to new customers. He is also threatening to close a newer fund, Calvert-Ariel Appreciation Fund, and is refusing new pension accounts. "We can't take on any more new cash and still preserve our focus," he says.

Are Rogers' actions too late? Rogers has already allowed big money to distort his objectives. Here's the problem:

Ariel, named after the fleet (and nearly extinct) mountain gazelle, is running $1.4 billion, a sum that cannot leap gracefully in and out of the shares of little companies. As recently as five years ago, with only $45 million under management, Rogers could describe his mission as primarily a hunt for lesser-known companies with revenues in the $100 million to $200 million range, and selling for ten times earnings or less.

It worked: Since inception in 1986, Ariel Growth is up a compound annual 15.7%, putting it fourth among 50 small-company funds in Lipper Analytical Services' rankings.

Rogers established himself with good gains in such over-the-counter stocks as Liqui-Box Corp., Century Papers, Waverly Press and Pearle Health Services. All these have market capitalizations below $200 million. A $45 million manager could put 5% of his money in one of these small companies without disturbing the price or ending up with an unwieldy percentage ownership of the target company.

A $1.4 billion manager can do nothing of the sort. He must either scatter the portfolio among hundreds of companies, with each winner having only a tiny impact on results, or confine his attention to bigger fish.

Rogers has taken a course somewhere down the middle. Ariel Capital still has pieces of small companies in which it has handsome profits: Sanford Corp., Topps and McCormick & Co., all bought at comparatively modest multiples several years ago. But 9 of the firm's 15 biggest holdings are Big Board stocks with such recognizable names as Clorox, Flem-

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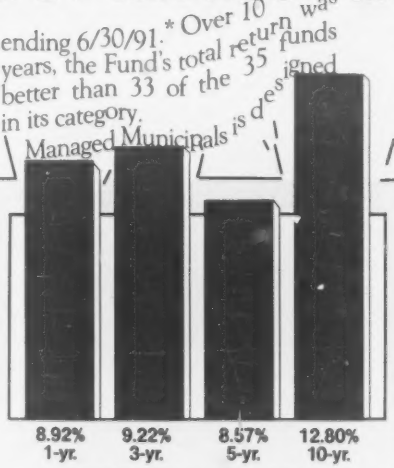

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Best Buys: small-company funds

Fund/distributor	5-year total return annualized	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge	Assests 6/30/91 ($mil)
Nicholas II/Nicholas	10.1	low	Albert O Nicholas (7)	$0.72	none	$454
Sit New Beginning Growth Fund/Sit	11.4	average	Douglas C Jones (9)	1.10	none	126
Pennsylvania Mutual Fund/Penn Mutual	8.5	very low	Charles M Royce (18)	0.94	none§	703
Selected Special Shares/Kemper Secs	9.7	average	Ronald W Ball (4)	*1.26*	none	59
Scudder Development Fund/Scudder	8.4	high	Multiple managers (3)[1]	1.36	none	479
Janus Venture Fund/Janus	14.0	low	James P Craig III (6)	*1.08p*	none	745
Babson Enterprise Fund/Jones & Babson	7.5	average	Peter Schliemann (6)	1.22	none	113
T Rowe Price New Horizons Fund/Price	4.9	high	John H Laporte (4)	0.90	none	1,191

[1]Average tenure of managers, with ten years maximum credit for each. §Distributor may impose redemption fee, which proceeds revert to the fund. p: Net of absorption of expenses by fund sponsor. *Italicized expense indicates 12b-1.*

These are ranked in descending order on a score that rewards funds for good performance and for low costs (sales load and annual expense rate).

ing Cos. and Omnicom Group.

The new money pushed Rogers not only into bigger companies but also into taking big stakes: 4% of Clorox, 6% of Omnicom, 12% of First Brands (Glad Bags, Prestone) and 12% of Handleman (a rack distributor of video- and audiocassettes). Rogers argues there has been no real change in his investment style. "The emphasis has always been on lesser known companies," he says.

The dilemmas of growth have plagued other small-cap managers, but they pursued Rogers, 33, with extraordinary speed. When he set up Ariel in 1983, two and a half years out of Princeton and a stock-brokering stint with William Blair & Co., Rogers had in hand exactly one major outside account—$100,000 worth of Howard University endowment money.

Today Ariel gets business from the funds (distributed by Calvert Group, best known for its "socially conscious" investing) and from 50 big clients ranging from Revlon and the District of Columbia to the United Negro College Fund. These probably generate $6 million a year in management fees.

Can Ariel do as well with stocks like Clorox as it did with Liqui-Box? That remains to be seen. So far this year, Rogers says, all his funds and private-label clients are up 20% or more, well ahead of the 15% gain for the market as a whole. But over the past 12 months Ariel Growth has merely treaded water, with a 0.5% return (to the market's 7.4%), while Ariel Appreciation is up a modest 9%. Rogers says he intends to close the latter, which now has $56 million in assets, at a somewhat higher level than the $200 million at which the growth fund was closed.

Rogers may change his mind at some point. Other managers awash in new money have closed and reopened the spigot from time to time, or cloned a new fund to absorb the overflow. The Janus Fund, for instance, got famous for its success with smaller companies, but now has $2.2 billion to manage—most of it, of course, invested on the New York Stock Exchange. Janus' operators broke out a new fund, Janus Venture, as a vehicle for the smaller companies, but that fund did so well it has piled up $920 million in assets. It comes out sixth in our Best Buys ranking above. (Tables in this survey show assets as of June 30—lower in most cases than current figures.) Now the managers of Janus Venture say they will close the fund to new money at the end of September.

Money manager John W. Rogers Jr.
Will he do as well with Clorox as he did with Liqui-Box?

Rogers seems sincere about closing his doors. "We've got only about 60 stocks overall in the portfolio," he says. "I can't handle more money and get consistent results. There are only so many good ideas."

Everybody should have such problems. As Rogers himself notes, being one of the few minority-owned management firms around has helped Ariel land such accounts as the Chicago and Los Angeles city em-

ployees' retirement funds. Good connections haven't hurt, either. Rogers' mother, Jewel Lafontant-Mankarious, a part-owner of Ariel, was a senior partner in a Chicago law firm before being named ambassador-at-large and U.S. coordinator for refugee affairs by President Bush in February 1989. At least two of the seven corporations on whose boards she sat before her appointment (Revlon and Mobil Corp.) are on Ariel's list of clients.

But connections only go so far; in the end the only credential that counts is compound annual return. For that reason, Rogers' self-imposed constraint on growth could be a good long-term investment.

"From now on, it's going to be a very simple story," says Rogers. "Our private clients can judge us by just one thing—growth of assets."

The Best Buy table (*opposite*) ranks small-company funds according to a formula that gives equal weight to risk-adjusted performance and low costs. Ariel Appreciation is too young to make the list. Ironically, by the time it does qualify, it may be closed to new money. ■

Tired of Japanese stocks trading at 36 times earnings? Try Latin American stocks at 13 times. Risky? Yes, but getting in early is always risky.

Southern exposure

By Suzanne L. Oliver

IF YOU MISSED the near 70% runup (64% to U.S. dollar investors) in the Mexican stock market through June of this year, you may be wondering: Is it too late to put some money in the Bolsa Mexicana de Valores?

"No," argues Oscar Castro, portfolio manager in the Latin American investment group at G.T. Capital, a money management firm in San Francisco. "There is the [eventual] potential in Latin America for too much capital to be chasing too few stocks. But we are far from that now."

Castro says that while demand for Mexican stocks is rising, so is supply: "As the valuations of the publicly traded Latin American stocks go up, more companies offer shares in the stock market."

Indeed there seems to be ample room for Latin American stock markets to grow. The total market capitalization of the companies listed on the Mexican stock exchange is worth only a third of Mexico's gross national product. Brazil has listed stocks worth a combined $42 billion. That's only

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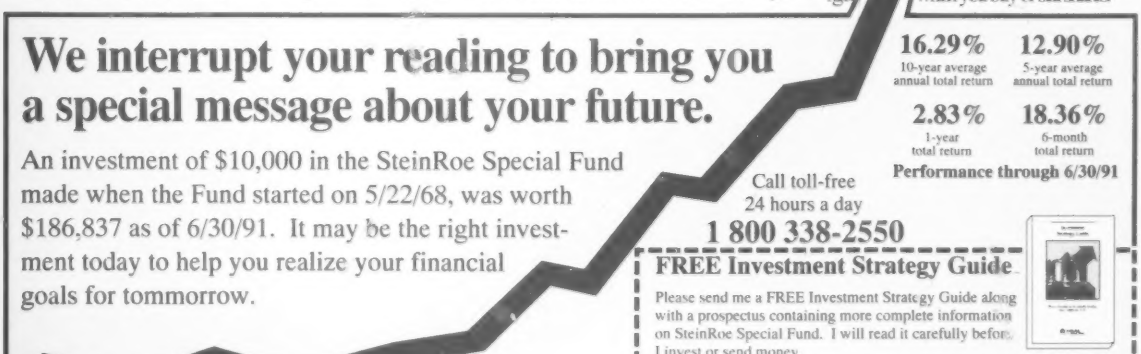

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*According to Lipper Analytical Services, Inc. for growth funds with $250 - $750 million in assets, Special Fund was #1 out of 23 funds for the 20 years ended 6/30/91. For the 10-, 5-, and 1-year periods ended 6/30/91, the Fund ranked #3 out of 29; #7 out of 43; and #39 out of 48, respectively. Total return performance includes changes in share price and reinvestment of income and capital gain distributions. Past performance is no guarantee of future results. Share price and investment return will vary, so you may have a gain or loss when you sell shares.

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8% of that country's gross national product, while the corresponding ratio in the U.S. is 62%.

One more statistic of value: With the sole exception of Venezuela, the average price/earnings ratio on each of the five largest Latin American stock exchanges is 15 or less. In Argentina, it's 5.

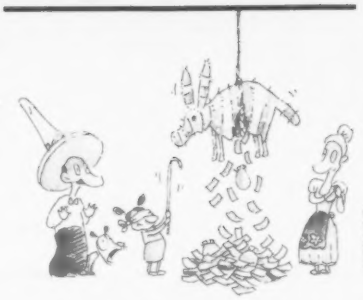
Lest we get carried away, let's remember that none of these Latin countries ranks anywhere close to Japan—or even Korea or Taiwan—in economic stability, technological prowess or reliability of the currency. But you can say this about Mexico, Chile and Argentina: Economic reform has reduced inflation, initiated the privatization of industry and encouraged foreign investment.

Castro believes investors with at least a three-year time horizon should consider putting money in Latin America.

How to buy in? Brokerages have responded to the renaissance in Latin America by bringing out new closed-end funds that invest in the region. Some of them are too new for us to judge their managers' investment acumen, but most of them often sell at discounts to their net asset values that can provide some cushion for shareholders.

For wealthy individuals, the new Megy Income Fund, with a minimum investment of $100,000, offers an opportunity to invest in Latin American government debt.

The Mexico Fund is the grandfather among Latin American funds. It



has delivered shareholders a 19% average annual return on its dollar net asset value since its inception in 1982. This year the company's asset value per share climbed from $15.64 to $23.65 in June. That 51% rise is roughly in line with the 60% dollar return on the average Mexican stock. The Mexico Fund's shares, which trade on the New York Stock Exchange, were trading recently near their net asset value at 22⅜.

The Emerging Mexico Fund and the Mexico Equity & Income Fund were both first offered to investors in 1990 and are selling at discounts to their net asset values *(for table of closed-end discounts, see p. 250)*. The Emerging Mexico Fund invests primarily in Mexican equities, while the Mexico Equity & Income Fund invests 50% of its assets in U.S.-dollar-denominated convertible securities of Mexican companies that it buys in private transactions. This fund has a 4.5% yield.

Chile began its free enterprise reforms long before Mexico did, first restructuring its private-sector debt back in 1983. Castro expects inflation there to drop to 20% this year from 27% last year. He thinks the economy should grow, net of inflation, at a rate of 4.5%.

During 1990 the Chilean stock market turned in a total return of 40% in dollar terms, while the net asset value of the almost two-year-old Chile Fund moved up just 27%. Emilio Bassini, portfolio manager of the fund, blames his underperformance on the expense of his currency hedges and his 10% position in fixed-income securities. But maybe he shouldn't be making any apologies. Since the fund was started, it has produced a 66% annualized return to dollar investors.

Bassini is also the portfolio manager of the Latin America Investment Fund, which started trading in August 1990. The fund's largest positions are in Mexico and Chile, where it owns shares in the telecommunications companies Telemex and Telefonos de Chile and the largest Mexican retailer, Cifra. The fund has gained 44% from its $15-per-share initial offering price and recently traded near its net asset value.

The Brazil Fund has been hamstrung by a deep recession that began in Brazil in late 1989 and helped knock net asset value per share down from $18.85 at the end of 1989 to $5.97 a year later. Edmund Games, manager of the Brazil Fund, points out that President Fernando Collor de Mello has mellowed his aggressive inflation fighting, which slowed economic growth, has taken a somewhat more sympathetic view of private capital and has been loosening the nation's monetary purse strings. The stock market has rebounded this year, and the fund's shares, at a recent 17¾, were trading at a slight premium to net asset value.

Castro owns shares of both the Chile and the Brazil funds in foreign-based portfolios he manages. Says Castro, a Venezuelan, "Latin American governments have a new attitude. We'll soon see their economies growing at 5% annual rates." If he's right, the region could be another Pacific Rim by century's end. Even if he's exaggerating, there could be a lot of growth here. ■

The route to Latin America

Fund	Assets ($mil)[1]	Price[2]	Premium/ discount[2]	6-month return[1]	Annual expenses per $100
Brazil Fund	$169	$17.75	18.3%	134.9%	$2.25
Chile Fund	155	27.25	–16.4	64.0	2.04
Emerging Mexico Fund	86	16.38	–13.2	55.3	2.36
Latin America Investment Fund	87	23.00	–2.3	64.0	3.20
Mexico Equity & Income Fund	89	13.00	–13.6	25.7	1.97
Mexico Fund	464	22.38	–10.0	51.1	1.60

[1]As of 6/28/91. [2]As of 8/2/91.
Source: Shearson Lehman Brothers; FORBES.

Investors who want exposure to the steamy stock markets of Latin America should consider closed-end funds. Other things being equal, look for a big discount.

Make your fund part bonds, part equities, and you can survive both market crashes and inflation.

Balancing act

By Carolyn T. Geer

WALTER L. MORGAN, founder of the funds that became the Vanguard Group, learned the merits of a balanced portfolio the hard way. As a young man, he lost his shirt speculating in the stock market in the early 1920s. Determined never to let that happen again, Morgan created the first balanced fund in 1928. His Industrial & Power Securities Co. would invest in both blue-chip stocks and high-grade bonds—the stocks for growth, the bonds to provide income during downturns in the market.

The fund, known today as the Wellington Fund, survived the 1929 crash, and soon other balanced funds appeared on the scene. Most were conservative, investing in a mix of high-quality equities and bonds. "It was basically a seesaw approach," says Lipper Analytical Services, Inc.'s Michael Lipper of the early generations of balanced funds. "You might have had as much as 60% in stocks and 40% in bonds, but if the stocks went too much above that, you sold some and put it into bonds."

Balanced funds began a long slide in popularity in the late 1960s, when growth stocks were all the rage. Wellington's assets, for example, slid from over $2 billion in 1970 to around $600 million in 1980. But in recent years—and especially after the 1987 crash—balanced funds have been making a comeback. In the latest six months ended June 30, nearly $1 billion poured into balanced funds (net of redemptions), according to Lipper. That's double the figure for the year-earlier period. Wellington's assets broke the $3 billion mark this summer.

One important source of new funds has been employee savings plans. "Up until this year we had zero interest from 401-K plans," says Timothy Ryan of the Dodge & Cox Balanced Fund. "Now all of a sudden quite a few corporations are using it as one of the selections for their employees." Says Vincent Bajakian, who has managed the Wellington Fund for nearly 20 years, "Corporations feel they have a responsibility to offer employees a conservative option."

There's no great magic to mixing stocks and bonds in a single portfolio; the mix doesn't provide any escape from the basic law of investing that says reward is commensurate with risk. According to that law, a balanced fund, lying somewhere on the risk spectrum between bonds and stocks, has an expected return between those two extremes.

Then why have balanced funds at all? They rescue investors from two kinds of folly. Mistake one is to be too timid. Thus, a lot of retirees put all their savings in bonds and money market funds, getting safety and income but subjecting their capital to destruction by inflation.

Mistake two is the opposite: to accept more risk than one can tolerate. This kind of investor goes 100% into stocks and then sells out in a panic near a trough in the market.

If you might fall prey to either one of these character flaws, consider a balanced fund. In long-term total return, you should do better than a pure bond investor. But the bonds will anchor the portfolio somewhat in a stock market crash, enough, it is hoped, to keep you from selling out at the bottom.

Even retirees, especially younger ones looking for a source of steady income, would do well to consider putting a large fraction of their assets in a balanced portfolio. Reinvest your distributions and then, for income, set up a systematic withdrawal plan. If your withdrawal rate is low enough (say, about 4%), the capital should not only last indefinitely but also keep up with moderate rates of inflation.

Of course, the risk of any systematic withdrawal plan increases with the volatility of the fund. Some retirees might do well to keep the bulk of their money in a stable balanced fund, says Wellington's Bajakian, and the rest in a money market fund. That way, in the event of a severe market downturn, you can get the income you need from the money market fund and not be forced to liquidate the balanced fund at distress prices.

The Best Buy table at left lists the six balanced funds that rate highest in a scoring system that gives equal weight to performance and efficiency. Performance is measured by risk-adjusted results over the last five years. The efficiency measure rewards funds that have low annual expenses and little or no sales loads. ■

Best Buys: balanced funds

Fund	5-year total return annualized	Risk level	Manager (years)	Annual expenses per $100	Maximum sales charge
Vanguard Wellesley Income Fund	9.4%	low	Earl McEvoy (9)	$0.40	none
Dodge & Cox Balanced Fund	11.1	average	Multiple managers (10)[1]	0.70	none
Vanguard STAR Fund	9.5	average	none[2]	0.44	none
Vanguard Wellington Fund	9.6	high	Vincent Bajakian (19)	0.36	none
Lincoln Natl Convertible Securities	10.2	average	Edward J Petner (3)	0.97	NA
CGM Mutual Fund	10.6	very high	G Kenneth Heebner (14)	0.97	none

[1]Average tenure of managers, with ten years maximum credit for each. [2]Fund holds fixed percentages of other Vanguard funds. NA: Not applicable.

Funds are scored on performance (risk-adjusted) and efficiency (low load and expenses), and listed in descending order.

An "asset allocation" fund is a plain old balanced fund with market timing thrown in. Does the timing add anything? Not that we can see.

Bad timing?

By Christopher Palmeri

WHEN THE Blanchard Strategic Growth fund came out in July 1986, it had a grand concept. An expert asset allocator would choose among four asset categories, based on their attractiveness at the time. The money would then be farmed out to an outside manager in each category: domestic stocks, foreign stocks, precious metals and bonds. In effect, this was the classic balanced fund, mixing stocks and bonds, except that it was supposed to do much better than just any balanced fund. After all, the allocator could put his emphasis on whichever of the categories looked most promising.

How has the strategy worked? Not brilliantly. In the five years since its launch, the $181 million Blanchard fund has delivered a total return averaging 9.6% a year. On that score it doesn't quite match the 10.2% average of all the staid, old balanced funds, which invest in a more or less fixed mix of stocks and bonds.

People pitching asset allocation funds got a big boost from the 1987 market crash, when the allocators who were lucky enough to be mostly out of the market saved their clients a bundle. Based on this limited experience, many allocation funds were rushed to market, and there is now $4 billion invested in this category.

Mediocre as its results were, the Blanchard fund did better than a lot of other allocation funds. Most of them produced wretched returns. Lipper Analytical Services, which calls them flexible portfolio funds, counts 26 that have been around for at least three years. Their average annual return is just 8.6%. You would probably have done better than that in a conventional balanced fund. In short, the market timing was worse than useless.

"Asset allocators are really just cousins of market timers, and it is pretty hard to add value with that strategy," says Kurt Brouwer of the San Francisco-based investment advisory firm Brouwer & Janachowski. "You'd better be right three out of four times or you will underperform the averages." Why? Because of all the switching they do, the asset allocators run up high transaction costs.

Typical among the allocators is the $214 million Dean Witter Managed Assets Trust, dating to June 1988. It carries a 5% back-end load and an above-average expense ratio, 1.8% of assets annually. That means Dean Witter has to make some fairly smart calls just to keep even with a low-cost, fixed-mix balanced fund like Vanguard Wellington. Dean Witter Managed Assets has returned a below-average 8% a year.

Not that the Dean Witter folks don't perform a lot of mumbo jumbo. They have three portfolio managers who crunch a great deal of economic data and still seem to make wrong calls. The fund sat through much of 1989 with just 8% in stocks and 60% of its portfolio in money market instruments. The S&P 500 stock average climbed 32% that year.

Another mediocre market timer is the Overland Express Asset Allocation Fund, managed since 1988 by Wells Fargo Nikko Investment Advisors, a partnership between the U.S. bank and the Japanese broker. The fund bases its timing calls on a black box Wells Fargo developed in 1972. The system calculates the stock market's attractiveness by estimating all future dividend payments and discounting them to the present. The claimed performance record for this system since 1977, when it was first used to manage money, is nothing short of dazzling. Recently, however, the system has been just so-so. Over the past three years Overland's average annual return has been only 8%. Wells Fargo turned bearish too soon, loading up on cash early enough to miss most of the 1989 stock rally. Alibis Wells Fargo Nikko President Patricia Dunn, "The computer pulls out of markets that are overvalued. Sometimes it takes a while to be right."

Dunn remains steadfastly bearish on stocks, and she may yet be proved right. Until then, our recommendation for people who want a mix of stocks and bonds is this: Buy a balanced fund with a decent record and a low expense ratio. Our Best Buy list is on page 204.

The largest allocation funds

Fund	Assets ($mil)	3-year return annualized	Maximum sales charge	Annual expenses per $100
IDS Managed Retirement Fund	$874	15.6%	5.00%	$0.89
Dreyfus Capital Value Fund	760	10.8	4.50	*1.20*
PaineWebber Asset Allocation	368	7.6	5.00b	*1.95*
Prudential FlexiFund–Strategy	216	10.4	5.25	*1.30*
Dean Witter Managed Assets	214	8.0	5.00b	*1.78*
Shearson Equity–Strategic Inv	206	11.0	5.00b	*2.05*
Blanchard Strategic Growth	181	4.9	0.00	*2.36*
Prudential FlexiFund–Conservative-A	162	8.9	5.25	*1.27*
Shearson Multiple Oppors LP	142	4.9	3.00b	*3.02p*
Dreyfus Strategic Investing	122	14.4	4.50	*1.50p*
Standard & Poor's 500		14.6		

Italicized expense figure indicates 12b-1 plan. b: Includes back-end load. p: Net of absorption of expenses by fund sponsor. *Source: Lipper Analytical Services.*

A list of the biggest allocators, not surprisingly, includes a disproportionate number of the better ones; the category's average return since 1988 is only 8.6% a year.

FORBES rates funds separately in bull and bear markets. There are two advantages to this approach over a simple straight-line performance grade. One is that it makes explicit the fact that funds tend to do well in only one kind of market environment. The other is that it enables you to get a good sense of the risk in a fund. Funds with the worst bear market grades are the riskiest. This is key to an investment decision: You trade off risk against return.

The chart opposite displays the three market cycles over which we rate stock funds. Funds with records across three up periods are compared with one another and graded on the curve for bull market performance. Funds with only two segments of bull market performance are graded separately against one another. Bear market grades are awarded in similar fashion. Balanced funds, which invest in a mix of stocks and bonds, are evaluated over three market cycles, too, determined by a blend of a stock and a bond index; see the chart on page 252.

Foreign stock funds are graded against one another in a similar way. Their up and down segments are pictured on page 258. Global stock funds, which buy a mix of U.S. and foreign securities, are graded separately; that table begins on page 256.

Junk bonds, which have a large element of equity-like behavior in their fluctuations, also move in cycles. Junk bond funds, page 278, are rated over two cycles. But high-grade bonds don't move in long trend lines at all. Thus we compute separate bull and bear market grades for taxable bond funds, page 268, by dividing the last five years into individual bull and bear months. Municipal bond funds, which begin on page 280, are graded this way, too.

The "average annual total return" shows the compound annual return of the fund over the full rating period—three full market cycles in the case of stock funds, two cycles for junk bond funds, and five years for the other bond funds. This and the other performance figures—yield and 12-month total return—are net of expenses taken off the top by the fund sponsor. That's because expenses come out before dividends are distributed. Those distributions are in turn used, along with the fund net asset values printed in the daily newspapers, to calculate a performance figure. In the calculations of total return we assume that a distribution is reinvested in additional shares of the fund at the end of the month in which the payout went ex-dividend.

Why do we print expense ratios if overhead costs are already reflected in performance numbers? Because they are the one component of performance that is very predictable. A lucky manager can put his fund at the top of a chart in spite of an excessive management fee or high overhead. The next year he may not be so lucky. But management fees and other expenses will continue as a drag on performance. Expenses as we define them include management fees, 12b-1 "distribution" fees and overhead. They do not include interest or brokerage commissions for the fund's trading.

Our performance numbers—both those displayed in the tables and those used to award grades—do not take into account sales charges. Thus we are measuring portfolio management skills rather than investment results. The only exception is in the "hypothetical investment results" column of the honor roll. Performance and other data are as of June 30.

Sometimes a fund sponsor merges a large fund with a bad record into a small fund with a clean record. We treat this transaction as if the merger had gone the reverse way, thus preserving the large fund's performance history. This explains why our performance numbers for several funds differ from those claimed by the funds. Also, we do not expunge a fund's history when its management changes.

Funds marketed by several brokers, including Merrill Lynch and Prudential, give investors a choice between shares with a front-end load and little or no 12b-1 fees and shares with a declining back-end load and fairly high 12b-1 fees. We report performance for the former type of shares but assets for the entire fund.

Yield is the sum of dividends from investment income over the past 12 months, divided by the June 30 net asset value. It may differ from the 30-day yield as defined by the Securities & Exchange Commission.

To be included in the annual survey a fund must have a minimum investment below $100,000 and be open to the general public. An exception to the latter rule is made for certain widely held membership-only funds, such as those of the American Association of Retired Persons. Exchange funds, a dying breed that under tax laws cannot accept new clients, are no longer covered.

You won't find brand-new funds in this survey. A fund must have 12 months of performance data before we add it to our catalog. It also must reach a certain size: $25 million for domestic equity funds or foreign funds of any type; $100 million for bond funds and tax-free money markets; $500 million for taxable money markets. Our roster of money market funds is very short because it is confined to the ones with the lowest expense ratios, for reasons explained on page 292.

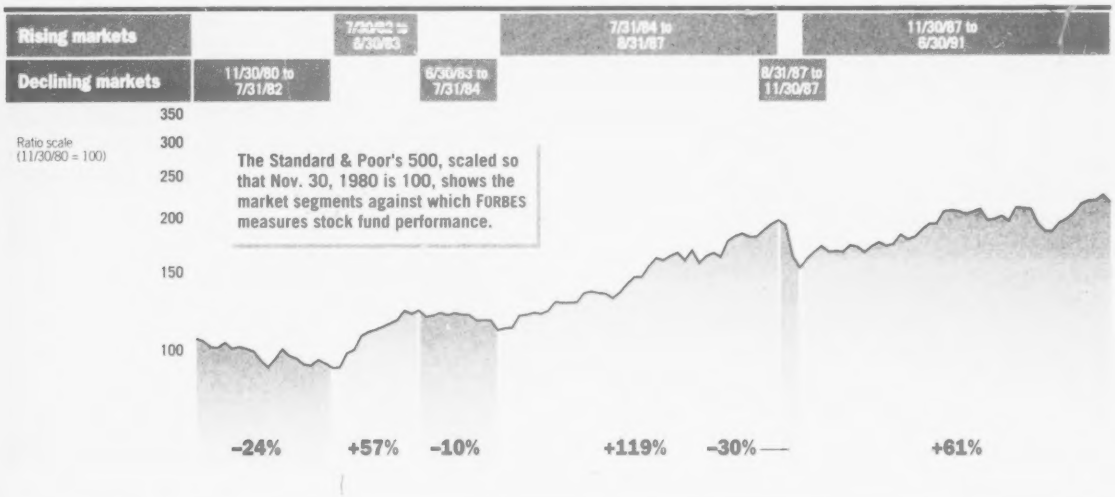
The Forbes honor roll of stock funds that have turned in the best and most consistent performance in the past appears on page 160. New this year are tabulations of what we call Best Buys among Ginnie Mae, junk bond, balanced portfolio, small company and municipal bond funds. The winners in these categories have to show both good performance and low expenses.

Phone numbers appear in the distributor listing at the back of the survey, beginning on page 294. Since most funds maintain 800 numbers, you can also find them quickly by calling the national directory assistance number, 800-555-1212.

Much of the raw data for this issue comes from CDA Investment Technologies in Rockville, Md. and Lipper Analytical Services in New York City. ■

Stock funds

This table covers funds that have at least $25 million in assets and at least 12 months of performance history. FORBES grades stock funds against the three market cycles of the S&P 500. To be graded, a fund must have been in existence for at least two of the market cycles—that is, since June 30, 1983. Balanced funds, global stock funds and foreign stock funds are graded separately against different benchmarks (see pages 252, 256 and 258). The fund's name is followed by that of its distributor; the table of distributors at the end of the fund survey has phone numbers. Closed-end funds have no distributor; they can be bought and sold in the secondary market and are traded just like common stock. A table of closed-ends trading at discounts to net asset value appears on page 250.



Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
		AAL Capital Growth Fund/AAL	— *	10.0%	2.2%	$223	56%	4.75%	*$1.41*
		AARP Growth–Capital Growth/Scudder	— *	–0.5	2.2	214	–2	none	1.11p
		AARP Growth–Growth & Income/Scudder	— *	7.6	4.8	334	24	none	1.03
C	D	ABT Growth & Income Trust/ABT	9.1%	0.7	3.3	88	–8	4.75	*1.29*
F	A	ABT Utility Income Fund/ABT	10.6	2.0	5.6	141	–2	4.75	*1.25*
B	C	Acorn Fund/Acorn	12.9	–1.4	1.6	969	2	†	0.82
C	B	Adams Express/closed-end	12.4	10.6	3.5	597	5	NA	0.60
		Addison Capital Fund/Addison	— *	5.4	1.2	29	–1	3.00	*2.38*
		Advantage Growth Fund/Advest	— *	6.6	0.8	32	7	4.00b	*2.33*
D	A	Aegon USA Growth[1]/Aegon	12.2	5.2	2.4	38	3	4.75	*0.99p*

■ Fund rated for two periods only; maximum allowable grade A. * Fund not in operation for full period. † Closed to new investors. § Distributor may impose redemption fee, which proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly MidAmerica Mutual Fund.

Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
C	D	AFA–Natl Aviation & Tech/AFA	8.7%	-10.5%	0.6%	$69	-17%	4.75%	$1.64
■D	■D	AFA–Natl Telecommun & Tech/AFA	— *	-13.0	none	31	-22	4.75	2.25
C	B	Affiliated Fund/Lord Abbett	13.3	3.2	4.4	3,379	-5	6.75	*0.59*
B	C	Aim Equity–Charter Fund/AIM	13.3	15.7	2.0	196	118	5.50	*1.34*
A+	F	Aim Equity–Constellation Fund/AIM	11.5	5.6	none	235	83	5.50	*1.40*
A+	D	Aim Equity–Weingarten Fund/AIM	15.6	10.3	0.6	1,663	143	5.50	*1.26*
■B	■D	Aim Summit Fund/AIM	— *	10.4	1.8	395	29	**	0.80
		Alger Fund–Small Capitalization/Alger	— *	8.9	none	48	57	5.00b	*2.31*
		Alliance Counterpoint Fund/Alliance	— *	10.2	1.2	55	-4	5.50	*1.72*
B	D	Alliance Fund#/Alliance	10.5	5.2	1.5	672	-7	5.50	*0.81*
C	D	Alliance Global–Small Cap#/Alliance	7.1	-14.8	none	79	-15	5.50	*2.29*
C	B	Alliance Growth & Inc/Alliance	14.2	5.8	4.1	388	5	5.50	*1.09*
A	D	Alliance Quasar Fund#/Alliance	12.6	-9.1	0.3	315	-8	5.50	*1.79*
A+	■F	Alliance Technology Fund/Alliance	— *	-6.8	none	150	-10	5.50	*1.77*
		Charles Allmon Trust[1]/closed-end	— *	6.6	5.2	127	-1	NA	1.48
D	D	AMA Family of Funds–Classic Growth/AMA	7.0	-2.2	3.2	25	-11	4.75	*2.04*
C	B	Amcap Fund/American Funds	13.7	4.3	2.0	2,201	2	5.75	*0.79*
C	A	American Capital Comstock/American Cap	14.4	4.0	2.9	875	-8	8.50	0.83
C	A	American Capital Emerging Grow[2]/American Cap	12.9	10.2	0.4	262	8	5.75	*1.16*
B	D	American Capital Enterprise/American Cap	9.9	6.0	1.0	602	-2	5.75	*0.97*
C	B	American Capital Growth & Inc[3]/American Cap	12.1	3.1	3.2	155	-7	5.75	*1.13*
C	A	American Capital Pace Fund/American Cap	15.1	4.2	2.3	2,349	-4	5.75	*1.01*
		American Gas Index Fund/Rushmore	— *	-8.9	5.2	126	37	none	0.79p
F	A	American Growth Fund/American Growth	9.3	5.6	3.4	54	-9	8.50	1.40
D	F	American Investors Growth/Amer Investors	-0.4	-12.1	0.5	59	-20	8.50	1.66
D	A	American Leaders Fund/Federated	14.6	9.3	2.6	148	-1	4.50	1.02p
D	A	American Mutual Fund/American Funds	15.3	7.3	4.9	3,899	12	5.75	*0.60*
B	C	American National Growth/Securities Mgmt	13.0	7.3	1.6	107	0	8.50	1.03
D	A	American National Income/Securities Mgmt	14.5	11.2	3.6	84	13	8.50	1.22
B	B	AMEV Capital Fund/AMEV	13.8	1.7	1.6	169	6	4.75	*1.25*
A	■C	AMEV Fiduciary Fund/AMEV	— *	-0.2	1.0	35	-1	4.50	*1.44*
A	C	AMEV Growth Fund/AMEV	14.3	5.8	1.2	277	8	4.75	*1.21*
B	C	Amway Mutual Fund/Amway	11.2	11.9	1.1	47	15	3.00	1.16
F	A	Analytic Optioned Equity Fund/Analytic	10.9	6.6	3.6	107	-1	none	1.11
		API Trust–Growth/Amer Pension	— *	9.8	none	29	-6	none	*2.38p*
		ASO Outlook Group Equity/Winsbury	— *	4.0	3.0	31	112	3.00	1.09p
		Associated Planners Stock Fund/Assoc Plan	— *	13.4	0.8	28	38	4.75	2.11

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Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
A+	F	Axe-Houghton Growth/USF&G	9.9%	19.1%	0.6%	$79	12%	5.75%	*$1.52*
		Babson Enterprise Fund/Jones & Babson	— *	3.0	1.0	113	17	none	1.22
C	D	Babson Growth Fund/Jones & Babson	10.4	3.0	2.2	236	–9	none	0.86
		Babson Value Fund/Jones & Babson	— *	6.9	3.7	27	9	none	1.04
		Baird Blue Chip Fund/Baird	— *	7.8	1.6	44	30	5.75	*1.55*
D	B	Baker, Fentress & Co/closed-end	9.9	–6.3	3.3	394	–12	NA	0.68
		Baron Asset Fund/Baron	— *	–2.0	1.4	46	–16	2.00b	*1.80p*
■ D	■ A	Bartlett Capital–Basic Value/Bartlett	— *	0.3	3.7	93	–15	none	1.21
A	D	Berger One Hundred/Berger	12.2	17.7	none	37	100	none	*2.62p*
A	A	Bergstrom Capital/closed-end	19.2	29.2	2.2	89	22	NA	0.99
C	C	Wm Blair–Growth[1]/Wm Blair	11.6	5.9	1.6	72	2	none	0.90
		Blue Chip Value Fund/closed-end	— *	8.7	9.7	71	–2	NA	1.45
C	C	Boston Co Capital Appreciation/Boston Co	12.0	–3.4	1.9	478	–21	none	*1.18*
		Boston Co Special Growth Fund/Boston Co	— *	9.6	0.2	36	–16	none	*1.77*
		Brandywine Fund/Brandywine	— *	1.3	1.6	445	55	none	1.12
D	D	Bull & Bear Capital Growth/Bull & Bear	4.3	–26.0	none	44	–38	none	*2.40*
D	A	Burnham Fund/Burnham	12.2	4.7	5.4	122	–9	5.00	1.10
		Calvert-Ariel Appreciation Fund/Calvert	— *	9.0	1.0	48	187	4.75	*0.70p*
		Calvert-Ariel Growth Fund/Calvert	— *	0.5	1.0	248	0	†	*1.31*
		Calvert Social Inv–Equity/Calvert	— *	5.1	0.6	37	68	4.75	*1.00p*
		Capital Income Builder/American Funds	— *	14.9	5.1	416	87	5.75	*1.01*
C	B	Cardinal Fund/Cardinal	14.1	8.1	3.4	212	7	8.50	0.69
		Carnegie-Cappiello–Growth/Carnegie	— *	3.6	1.1	78	0	4.50	*1.78*
		Carnegie-Cappiello–Total Return/Carnegie	— *	–0.6	5.6	64	–21	4.50	*1.58*
C	D	Central Securities/closed-end	8.7	6.0	1.7	123	0	NA	0.98
B	A	Century Shares Trust/Century Shares	16.3	9.2	2.6	147	3	none	1.03
A+	B	CGM Capital Development/TNE	20.5	22.4	0.4	238	14	†	0.94
C	C	Cigna Growth Fund/Cigna	11.1	0.6	1.4	166	–11	5.00	*1.19*
		Cigna Utilities Fund/Cigna	— *	3.6	5.6	73	10	5.00	*1.27*
		Cigna Value Fund/Cigna	— *	2.8	1.6	110	21	5.00	*1.24*
		Clipper Fund/Pacific Fin!	— *	6.0	2.6	137	–9	none	1.18
B	D	Colonial Growth Shares Trust/Colonial	12.0	2.4	1.8	129	–3	5.75	*1.03*
		Colonial Small Stock Index Trust/Colonial	— *	–14.3	0.4	29	–33	5.75	*1.69*
		Colonial US Equity Index Trust/Colonial	— *	6.1	1.8	42	11	5.75	*1.62*
		Colonial VIP Equity–Diversified Ret/Colonial	— *	0.5	3.9	31	16	5.00b	*2.25p*
A	C	Columbia Growth Fund/Columbia	14.3	5.8	1.9	380	15	none	0.88
		Columbia Special Fund/Columbia	— *	0.5	0.1	202	42	none	1.21

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[1]Formerly Growth Industry Shares.

Distributor table, page 294. Rules, page 210.

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/91	Total return Last 12 months	Yield
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%
		Forbes stock fund composite	12.2%	6.0%	2.6%
		Common Sense–Growth/Common Sense	— *	5.4%	1.6%
		Common Sense–Growth & Inc/Common Sense	— *	2.7	2.3
D	A	Composite Growth Fund/Murphey	13.0%	10.7	2.7
		Composite Northwest 50 Fund/Murphey	— *	11.7	0.6
		Connecticut Mutual–Growth/Phelps	— *	2.7	2.1
F	■A	Copley Fund/Copley	— *	4.1	none
		Counsellors Capital Appreciation/Counsellors	— *	2.3	1.6
		Counsellors Emerging Growth/Counsellors	— *	2.9	0.5
		Counsellors Tandem Securities/closed-end	— *	10.6	0.9
C	C	Country Capital Growth Fund/Country Cap	11.7	5.7	2.9
		Cowen Income + Growth Fund/Cowen	— *	5.7	4.1
C	C	Dean Witter American Value/Dean Witter	10.9	13.8	0.8
		Dean Witter Cap Growth Secs/Dean Witter	— *	14.6	0.2
■D	■D	Dean Witter Devel Growth Secs/Dean Witter	— *	-5.2	none
C	■A	Dean Witter Div Growth Secs/Dean Witter	— *	7.1	3.3
D	■C	Dean Witter Natural Res Devel/Dean Witter	— *	-3.3	1.9
		Dean Witter Option Income/Dean Witter	— *	11.4	8.2
		Dean Witter Utilities Fund/Dean Witter	— *	6.3	5.6
		Dean Witter Value-Added Mkt–Equity/Dean Witter	— *	5.8	1.4
D	A	Delaware Group Decatur Fund–I/Delaware	13.9	-0.2	6.3
		Delaware Group Decatur Fund–II/Delaware	— *	3.9	4.7
		Delaware Group DelCap Fund–I/Delaware	— *	5.3	2.1
A	C	Delaware Group Trend Fund/Delaware	14.2	-4.7	0.6
A	B	Dodge & Cox Stock Fund/Dodge & Cox	15.1	4.5	3.1
		Dreyfus Capital Value Fund/Dreyfus	— *	13.4	7.5
D	B	Dreyfus Fund/Dreyfus	11.9	1.9	4.4
C	D	Dreyfus Growth Opportunity Fund/Dreyfus	7.8	2.6	2.7
D	B	Dreyfus Leverage Fund/Dreyfus	11.4	9.5	4.4
		Dreyfus New Leaders Fund/Dreyfus	— *	3.3	1.6
		Dreyfus Peoples Index/Dreyfus	— *	1.9	1.7
		Dreyfus Strategic Aggres Inv/Dreyfus	— *	6.6	none
		Dreyfus Strategic Investing/Dreyfus	— *	12.6	1.8
C	C	Dreyfus Third Century Fund/Dreyfus	9.8	10.9	1.6
		Eaton Vance Equity-Income/Eaton Vance	— *	1.4	5.1
C	B	Eaton Vance Growth Fund/Eaton Vance	13.1	2.8	1.0
D	B	Eaton Vance Special Equities/Eaton Vance	11.5	10.6	none
C	B	Eaton Vance Stock Fund/Eaton Vance	12.6	3.9	4.4

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Distributor table, page 294. Rules, page 210.

Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
			$1.29
$1,153	17%	8.50%	$1.53
456	13	8.50	1.37
68	-2	4.00	*1.22*
79	74	4.50	*1.26p*
33	-17	6.25	1.19
28	-7	none	1.50p
108	46	none	1.04p
31	0	none	1.25p
68	6	NA	2.33
82	1	3.00	0.82
32	-27	4.85	*2.04*
124	22	5.00b	*1.70*
450	134	5.00b	*1.92*
100	3	5.00b	*1.98*
3,188	2	5.00b	*1.51*
133	-16	5.00b	*1.80*
139	-22	5.00b	*2.11*
1,512	19	5.00b	*1.67*
139	-6	5.00b	*1.90*
1,642	-11	8.50	0.70
386	3	4.75	*1.25*
333	74	4.75	*1.41*
79	-11	4.75	1.30
239	52	none	0.65
760	12	4.50	*1.20*
2,715	-1	none	0.77
515	1	none	0.98
479	1	4.50	1.05
161	-12	none§	*1.42*
54	178	none§	0.00
58	-28	3.00	*1.50p*
122	8	4.50	*1.50p*
260	32	none	1.05
53	25	6.00b	*1.43p*
130	43	4.75	*0.95*
61	2	4.75	*1.06*
85	-4	4.75	*0.99*

of expenses by fund sponsor. NA: Not applicable or not available.

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
D	■A	Eaton Vance Total Return Trust/Eaton Vance	— *	7.8%	6.2%	$477	-1%	4.75%	*$1.19*
		Eclipse Financial Asset-Equity/Eclipse	— *	1.2	2.6	135	-32	none	1.18
		Emblem-Earnings Momentum/Winsbury	— *	7.0	1.6	31	15	4.00	1.08
		Emblem-Relative Value/Winsbury	— *	6.9	2.3	163	27	4.00	0.90
B	B	Enterprise Group-Growth/Enterprise	15.1%	7.0	1.2	64	5	4.75	*1.60p*
		Enterprise Group-Growth & Income/Enterprise	— *	4.3	3.9	31	-12	4.75	*1.50p*
		Equitable Funds-Growth#/Equitable	— *	13.4	0.3	25	36	5.25	*1.40p*
C	■C	Equity Strategies Fund/EQSF	— *	-5.6	none	64	-7	†	1.17
B	C	Evergreen Fund/Lieber	11.9	6.1	1.4	716	-3	none	1.17
■A	■B	Evergreen Limited Market Fund/Lieber	— *	7.1	2.9	45	6	†	1.33
D	A	Evergreen Total Return Fund/Lieber	14.0	6.0	6.0	1,109	-10	none	1.23
		Evergreen Value Timing Fund/Lieber	— *	6.8	2.5	42	8	none	1.50
F	C	FBL-Growth Common Stock/FBL	7.6	11.6	5.2	36	2	5.00b	*1.62*
		Federated Growth Trust/Federated	— *	6.1	3.4	221	23	none	1.01p
C	■A	Federated Stock Trust/Federated	— *	6.0	2.6	367	-18	none	1.00p
		Fidelity Blue Chip Growth Fund/Fidelity	— *	12.1	0.9	190	27	3.00	1.35
		Fidelity Capital Appreciation/Fidelity	— *	2.5	1.1	1,339	-35	3.00	0.93
A	D	Fidelity Contrafund/Fidelity	15.0	21.0	0.4	601	12	3.00	1.06
A+	B	Fidelity Destiny Portfolio I/Fidelity	18.3	12.3	0.7	2,024	10	**	0.44
		Fidelity Destiny Portfolio II/Fidelity	— *	14.5	1.5	326	48	**	0.80
		Fidelity Disciplined Equity/Fidelity	— *	8.6	2.0	133	7	none	1.24
D	A	Fidelity Equity-Income/Fidelity	14.8	3.3	6.5	4,089	-14	2.00	0.70
B	B	Fidelity Fund/Fidelity	13.8	6.8	4.0	1,257	9	none	0.66
		Fidelity Growth & Income/Fidelity	— *	14.2	2.8	2,433	28	2.00	0.86
■A	■D	Fidelity Growth Company/Fidelity	— *	12.5	none	1,024	52	3.00	1.14
		Fidelity Low-Priced Stock Fund/Fidelity	— *	15.2	1.2	214	96	none	1.50
A+	B	Fidelity Magellan Fund/Fidelity	21.8	9.7	1.7	15,252	9	3.00	1.06
		Fidelity OTC Portfolio/Fidelity	— *	13.7	0.2	811	11	3.00	1.37
		Fidelity Real Estate Investment/Fidelity	— *	14.6	5.2	55	21	none	1.47
■B	■C	Fidelity Retirement Growth[1]/Fidelity	— *	-3.4	0.7	1,454	-10	none	0.98
		Fidelity Select-Biotechnology/Fidelity	— *	49.9	0.1	483	208	3.00	1.63
		Fidelity Select-Chemicals/Fidelity	— *	12.9	0.5	27	24	3.00	2.50p
D	■C	Fidelity Select-Energy/Fidelity	— *	-5.1	0.1	86	0	3.00	1.79
		Fidelity Select-Energy Service/Fidelity	— *	-17.3	0.2	57	-29	3.00	1.82
		Fidelity Select-Environ Service/Fidelity	— *	-6.7	none	92	-29	3.00	2.03
C	■B	Fidelity Select-Financial Services/Fidelity	—	3.3	1.7	39	74	3.00	2.49
		Fidelity Select-Food & Agriculture/Fidelity	— *	12.8	0.9	73	132	3.00	2.22

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Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
A+	■D	Fidelity Select–Health Care/Fidelity	— *	45.0%	0.5%	$639	119%	3.00%	$1.53
		Fidelity Select–Leisure/Fidelity	— *	-2.6	0.9	39	-24	3.00	2.27
		Fidelity Select–Medical Delivery/Fidelity	— *	43.3	none	119	166	3.00	1.94
		Fidelity Select–Paper & Forest Prods/Fidelity	— *	21.9	1.2	71	NM	3.00	2.49p
		Fidelity Select–Regional Banks/Fidelity	— *	15.7	1.3	29	331	3.00	2.51p
		Fidelity Select–Retailing/Fidelity	— *	17.4	none	30	184	3.00	2.54p
A	■F	Fidelity Select–Technology/Fidelity	— *	12.8	0.6	92	-1	3.00	1.83
		Fidelity Select–Telecom/Fidelity	— *	-1.8	1.8	52	-34	3.00	1.97
D	■A	Fidelity Select–Utilities/Fidelity	— *	7.9	2.8	194	45	3.00	1.65
		Fidelity Special Sits–Plymouth[1]/Fidelity	— *	13.4	3.7	209	8	4.75	*1.58*
B	D	Fidelity Trend Fund/Fidelity	10.6%	2.2	0.5	781	-7	none	0.61
		Fidelity Utilities Income/Fidelity	— *	9.8	5.7	318	76	none	0.94
B	C	Fidelity Value Fund/Fidelity	12.8	5.8	4.2	117	-1	none	1.06
C	■C	Fiduciary Capital Growth/Fiduciary Mgmt	— *	3.3	1.3	30	21	none	1.50
C	D	Financial Dynamics Fund/Invesco	9.8	7.9	0.6	84	15	none	*1.15*
C	D	Financial Industrial Fund/Invesco	10.5	5.5	2.0	388	-6	none	*0.78*
B	B	Financial Industrial Income/Invesco	15.6	13.2	3.5	881	54	none	*0.94*
		Financial Series–Equity/Invesco	— *	11.6	2.8	35	1	none	1.00p
		Financial Series–Flex/Invesco	— *	10.3	5.0	58	11	none	1.00
		Financial Strategic–Finl Svcs/Invesco	— *	23.5	0.1	41	NM	none	1.28
		Financial Strategic–Gold/Invesco	— *	-8.0	0.1	45	14	none	1.32
		Financial Strategic–Health Sci/Invesco	— *	41.5	0.5	360	309	none	1.12
		Financial Strategic–Technology/Invesco	— *	4.5	none	39	-16	none	1.25
		Financial Strategic–Utilities/Invesco	— *	3.1	3.8	51	73	none	1.26
		First Eagle Fund of America/First Eagle	— *	-2.5	2.4	74	-18	none§	2.00p
		First Financial Fund/closed-end	— *	9.3	2.6	66	6	NA	1.55
		First Investors Blue Chip/First Inv	— *	2.7	1.8	66	53	6.90	*1.55p*
		Flag Investors Emerging Growth/Brown	— *	-7.3	none	43	-19	4.50	*1.50p*
		Flag Investors Quality Growth/Brown	— *	9.7	1.7	53	23	4.50	*1.25p*
		Flag Investors Telephone Income/Brown	— *	4.7	4.4	200	11	4.50	*0.92p*
■F	■A	Flex-funds–Growth Fund[2]/Flex	— *	18.5	5.9	29	15	none	*1.46*
		Flex-funds–Muirfield Fund/Flex	— *	13.9	4.5	34	13	none	*1.52*
		Fortress Utility Fund/Federated	— *	10.8	7.1	73	95	1.75b	1.03p
B	C	Founders Blue Chip/Founders	12.9	4.7	2.2	258	0	none	*1.07*
		Founders Frontier Fund/Founders	— *	9.2	1.2	72	1	none	*1.71*
B	C	Founders Growth Fund/Founders	12.3	2.5	1.5	100	-11	none	*1.45*
A	D	Founders Special Fund/Founders	11.4	17.6	1.5	121	69	none	1.20

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Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
B	C	FPA Capital Fund/Angeles Secs	11.6%	6.7%	1.2%	$84	4%	6.50%	$1.21
B	A	FPA Paramount Fund/Angeles Secs	16.9	14.5	4.0	235	7	†	0.95
		FPA Perennial Fund/Angeles Secs	— *	7.5	3.5	57	–3	6.50	1.20
B	D	Franklin DynaTech Fund/Franklin	10.4	4.7	2.0	45	1	4.00	0.79
B	D	Franklin Equity Fund/Franklin	11.7	5.0	2.0	375	–7	4.00	0.72
B	B	Franklin Growth Fund/Franklin	14.7	9.0	2.1	275	49	4.00	0.73
D	B	Franklin Premier Return/Franklin	9.7	3.1	3.4	32	–23	4.00	0.85
		Franklin Rising Dividends/Franklin	— *	20.1	1.9	49	20	4.00	*1.60*
F	A+	Franklin Utilities Fund/Franklin	16.0	8.5	7.2	1,031	33	4.00	0.60
		Freedom Inv–Gold & Govt/Freedom	— *	3.6	7.3	58	–16	3.00b	*1.88*
		Freedom Inv–Regional Bank/Freedom	— *	10.8	2.9	51	–17	3.00b	*2.07*
		Freedom Inv III–Environmental/Freedom	— *	–11.2	1.3	46	–25	4.50	*1.79p*
A	B	Fundamental Investors/American Funds	15.6	2.9	3.0	965	16	5.75	*0.70*
		Gabelli Asset Fund/Gabelli	— *	8.4	4.4	442	16	none	*1.20*
		Gabelli Equity Trust/closed-end	— *	1.8	3.2	510	–5	NA	1.20
		Gabelli Growth Fund/Gabelli	— *	4.1	2.2	307	54	none	*1.50*
		Gabelli Value Fund/Gabelli	— *	6.5	4.4	779	–25	5.50	*1.39*
D	A	Gateway Index Plus Fund/Gateway	10.5	12.3	2.5	64	31	none	1.34
		General Aggressive Growth/Dreyfus	— *	5.5	1.9	55	12	none	*1.24*
A	D	General American Investors/closed-end	14.3	13.7	0.8	477	8	NA	1.07
		Gintel Capital Appreciation Fund/Gintel	— *	3.7	2.2	35	2	none	*2.10*
D	■A	Gintel Erisa Fund/Gintel	— *	0.2	4.2	80	–10	none	*1.60*
		GIT Equity Trust–Special Growth/GIT	— *	3.7	1.5	58	34	none	1.40
		Gradison Established Growth/Gradison	— *	5.9	2.9	155	11	none	*1.39*
		Gradison Opportunity Growth/Gradison	— *	4.6	1.8	30	13	none	*1.61*
B	B	Growth Fund of America/American Funds	14.1	5.6	2.3	2,563	17	5.75	*0.79*
		Growth Fund of Washington/Washington	— *	1.3	2.1	39	–25	5.00	*1.66*
		GT Global Growth–America/GT Global	— *	–11.4	none	90	33	4.75	*2.00*
A	B	Guardian Park Ave Fund/Guardian	15.7	3.7	1.7	259	2	4.50	0.67
		GW Sierra–Growth & Income/Gt Western	— *	6.7	2.5	34	61	4.50	*1.50p*
B	D	John Hancock Growth Fund/Hancock	9.5	0.7	1.1	126	0	4.50	*1.46*
		H&Q Healthcare Investors/closed end	— *	31.4	0.4	87	23	NA	1.65
		Harbor Capital Appreciation/HCA	— *	4.3	1.1	71	1	none	0.87
		Harbor Growth Fund/HCA	— *	12.6	0.6	193	18	none	0.93
		Harbor Value/HCA	— *	4.1	3.9	35	18	none	0.97p
A+	F	Hartwell Emerging Growth/Keystone	9.4	0.6	none	48	67	4.75	*2.50*
		Helmsman–Disciplined Equity/SEI	— *	1.8	3.7	74	5	none	*0.35p*

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		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
		Helmsman–Growth Equity/SEI	— *	8.6%	1.6%	$54	68%	none	*$0.41p*
		Helmsman–Income Equity/SEI	— *	7.5	4.4	74	98	none	*0.49p*
		Heritage Capital Appreciation/Heritage	— *	0.9	2.7	61	–8	4.00%	*1.93p*
		HighMark Income Equity/Winsbury	— *	7.0	4.9	46	8	none	*1.13p*
		HT Insight–Equity Fund/TBC	— *	3.9	3.1	30	42	4.50	*1.00p*
		Wayne Hummer Growth Fund/Hummer	— *	13.1	2.2	37	38	none	1.36
A	B	IAI Regional Fund/IAI Funds	16.0%	8.2	1.8	325	70	none	*1.01*
C	B	IAI Stock Fund/IAI Funds	13.2	–2.0	1.8	93	16	none	*1.05*
		IDEX Fund/Idex	— *	8.0	1.1	161	73	8.50	1.30
		IDEX II/Idex	— *	8.3	1.2	98	6	5.50	*1.41*
		IDEX Fund 3/Idex	— *	8.3	1.3	170	4	†	1.31
		IDS Blue Chip Advantage/IDS	— *	7.0	2.3	54	214	5.00	*0.85p*
B	■ D	IDS Discovery Fund/IDS	— *	4.4	1.2	189	10	5.00	*0.79*
B	C	IDS Equity Plus/IDS	12.7	6.9	2.2	397	–1	5.00	0.66
A+	D	IDS Growth Fund/IDS	13.3	2.3	1.9	739	–6	5.00	0.89
		IDS Managed Retirement Fund/IDS	— *	4.3	2.6	874	10	5.00	0.89
A	C	IDS New Dimensions Fund/IDS	16.4	12.2	2.0	1,316	44	5.00	0.88
D	B	IDS Progressive Fund/IDS	11.2	–0.2	3.5	131	–16	5.00	0.98
C	B	IDS Stock Fund/IDS	12.7	8.8	4.1	1,418	3	5.00	0.64
		IDS Strategy–Aggressive Equity/IDS	— *	3.3	1.2	352	11	5.00b	*1.61*
		IDS Strategy–Equity/IDS	— *	7.5	3.1	386	15	5.00b	*1.66*
		IDS Utilities Income/IDS	— *	7.4	6.2	252	28	5.00	0.88
		Inefficient-Market Fund/closed-end	— *	1.5	5.2	47	–7	NA	1.32
B	B	Investment Co of America/American Funds	15.9	8.3	3.7	7,643	30	5.75	*0.55*
C	D	ITB–Growth Opportunities/TNE	8.7	7.5	3.0	62	0	5.75	*1.18*
A	D	Investors Research Fund/Diversified	10.9	5.6	4.8	61	–9	6.75	0.85
C	A	Ivy Growth Fund/Ivy	15.6	7.3	2.0	209	3	none	1.29
B	A	Janus Fund/Janus	16.4	7.4	1.9	1,960	57	none	0.96
		Janus Twenty Fund/Janus	— *	10.8	1.0	547	166	none	*1.07p*
		Janus Venture Fund/Janus	— *	11.9	0.3	745	221	none	*1.08p*
D	B	JP Growth Fund/Jefferson-Pilot	12.9	3.8	2.2	28	2	5.50	0.88
		Kaufmann Fund/Kaufmann	— *	8.7	none	68	30	none§	*3.45p*
		Kemper Blue Chip Fund/Kemper	— *	7.9	1.3	51	47	5.75	1.58
		Kemper Environmental Services/Kemper	— *	–1.5	none	65	–6	5.75	1.38
A	D	Kemper Growth Fund/Kemper	13.0	15.0	1.0	487	31	5.75	1.01
		Kemper Invest–Equity/Kemper	— *	9.1	none	372	10	3.00b	*2.34*
A	D	Kemper Summit Fund/Kemper	11.6	9.7	1.3	241	–11	5.75	0.86

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		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
C	D	Kemper Technology Fund/Kemper	9.2%	-1.3%	1.9%	$538	-9%	5.75%	$0.82
A	D	Keystone America Omega/Keystone	10.1	11.1	1.5	47	9	4.75	*1.73*
B	D	Keystone Custodian K-2/Keystone	10.5	5.5	2.0	301	-7	4.00b	*1.64*
C	C	Keystone Custodian S-1/Keystone	10.2	6.1	2.0	164	-12	4.00b	*2.41*
B	D	Keystone Custodian S-3/Keystone	11.0	6.5	0.9	243	-8	4.00b	*1.58*
A	F	Keystone Custodian S-4/Keystone	6.3	6.6	none	561	-1	4.00b	*1.71*
		Kidder, Peabody Equity Income/Kidder	— *	11.2	2.4	90	36	4.00	*1.45*
		Legg Mason Special Investment/Legg Mason	— *	14.3	1.8	122	54	none	*2.16*
		Legg Mason Total Return Trust/Legg Mason	— *	2.5	2.9	26	5	none	*2.50*
■C	■B	Legg Mason Value Trust/Legg Mason	— *	-5.2	2.5	668	-19	none	*1.89p*
B	B	Lexington Corp Leaders Trust/Lexington	14.1	2.7	3.5	91	-2	none	0.67
C	C	Lexington Growth & Income[1]/Lexington	11.0	0.4	1.6	112	-7	none	1.04
B	F	Lexington Worldwide Emerg Mkts[2]/Lexington	7.1	-0.9	2.6	26	-8	none	1.42
		Liberty All-Star Equity Fund/closed-end	— *	12.1	9.4	530	2	NA	1.23
		Liberty Utility Fund/Federated	— *	10.9	7.0	177	173	4.50	1.02p
		Lindner Dividend Fund/Lindner	— *	8.9	8.5	186	21	none	0.87
D	A+	Lindner Fund/Lindner	16.8	-0.1	4.8	783	9	none	0.83
C	D	Lord Abbett Developing Growth/Lord Abbett	7.0	2.4	0.2	127	-10	6.75	*1.31*
■B	■C	Lord Abbett Value Appreciation/Lord Abbett	— *	4.4	2.5	155	-12	6.75	*1.18*
D	A	Lutheran Brotherhood Fund/Lutheran	14.1	5.1	1.8	322	3	5.00	1.05
		Mackenzie American Fund/Mackenzie	— *	-5.9	1.1	44	-20	5.75	*2.22*
		MainStay-Capital Appreciation/NYLife	— *	9.1	none	52	27	5.00b	*2.46*
		MainStay-Value Fund/NYLife	— *	11.9	1.7	40	20	5.00b	*2.48*
A	C	Mairs & Power Growth Fund/Mairs & Power	13.8	19.0	1.3	28	15	none	1.05
B	C	Horace Mann Growth Fund/Mann	12.1	9.1	3.6	114	9	†	0.78
B	C	Mass Capital Development Fund/Mass Finl	11.4	5.2	2.4	709	-9	5.75	*0.80*
B	D	Mass Financial Development/Mass Finl	10.7	0.3 *	2.8	213	-11	5.75	*0.83*
A	■D	Mass Financial Emerging Growth/Mass Finl	— *	2.6	none	188	-10	5.75	*1.40*
■B	■D	Mass Financial Special Fund/Mass Finl	— *	-4.0	1.0	107	-15	5.75	*1.51*
C	C	Mass Investors Growth Stock/Mass Finl	11.1	1.9	0.3	873	-6	5.75	*0.53*
B	C	Mass Investors Trust/Mass Finl	12.8	5.2	3.1	1,384	-2	5.75	*0.47*
C	C	Mathers Fund/Mathers	11.3	8.6	5.4	436	79	none	0.98
C	B	Merrill Lynch Basic Value#/ML Funds	14.6	5.3	5.1	2,365	-5	6.50	NA
C	A	Merrill Lynch Capital Fund#/ML Funds	15.6	8.7	5.1	2,011	45	6.50	0.58
		Merrill Lynch Devel Capital Mkts/ML Funds	— *	-4.0	6.2	112	8	4.00§	NA
		Merrill Lynch Fund for Tomorrow#/ML Funds	— *	6.5	2.4	444	-16	6.50	0.96
		Merrill Lynch Grow Inv & Retire#/ML Funds	— *	7.4	none	770	34	6.50	0.87

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		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
		Merrill Lynch Natural Res#/ML Funds	— *	0.8%	2.9%	$318	–22%	6.50%	$0.97
D	D	Merrill Lynch Special Value#/ML Funds	3.6%	–0.8	1.3	53	–6	6.50	1.88
		Merrill Lynch Strategic Div#/ML Funds	— *	2.0	6.0	316	–18	6.50	0.91
		Merriman Timed Capital Apprec/Merriman	— *	11.3	2.5	41	126	none	1.52p
		MetLife-State Street Cap Apprec/MetLife	— *	–1.7	0.4	63	7	4.50	*1.50p*
		MetLife-State Street Equity Inc/MetLife	— *	–6.4	5.8	45	–9	4.50	*1.50p*
		MetLife-State Street Equity Inv/MetLife	— *	–6.1	1.7	36	0	4.50	*1.50p*
		MFS Lifetime Capital Growth/Mass Finl	— *	8.1	1.2	281	19	6.00b	*2.38*
		MFS Lifetime Emerging Growth/Mass Finl	— *	9.4	none	106	5	6.00b	*2.75*
		MFS Lifetime Managed Sectors/Mass Finl	— *	–1.2	none	166	–15	6.00b	*2.50*
		MFS Lifetime Total Return/Mass Finl	— *	8.5	4.2	242	13	6.00b	*2.37*
		MFS Managed Sectors Trust/Mass Finl	— *	–0.4	0.2	108	–14	5.75	*1.77*
		Morgan Grenfell SmallCap Fund/closed-end	— *	–2.4	none	56	–6	NA	2.01
C	C	MSB Fund/Nationar	11.6	1.6	2.2	42	–18	none	1.39
A	B	Mutual Benefit Fund/Mutual Benefit	15.9	6.1	3.0	42	10	4.75	1.01
B	C	Mutual of Omaha Growth/Mutual of Omaha	11.6	–6.0	0.9	66	8	4.75	*1.29*
D	C	Mutual Series–Beacon/Heine Secs	10.6	2.6	3.8	448	–2	none	0.85
D	A+	Mutual Series–Mutual Shares/Heine Secs	15.3	4.1	4.4	2,705	–13	†	0.85
D	A+	Mutual Series–Qualified/Heine Secs	17.1	4.3	5.0	1,157	–14	†	0.89
D	C	National Industries Fund/Stonebridge	6.5	7.8	1.6	33	0	none	1.70
D	B	National Stock Fund/National Secs	11.1	2.9	1.6	207	–8	5.75	*1.41*
B	B	Nationwide Fund/Nationwide	15.3	11.8	2.5	565	11	7.50	0.62
C	B	Nationwide Growth Fund/Nationwide	14.6	4.7	3.3	245	0	7.50	0.68
		N & B Genesis Fund/N & B	— *	4.4	0.6	26	18	none§	2.00p
B	C	N & B Guardian Fund/N & B	13.4	8.5	2.6	582	4	none	0.86
A	C	N & B Manhattan Fund/N & B	14.1	3.8	1.5	398	–7	none	1.20
D	A	N & B Partners Fund/N & B	14.1	5.1	4.2	824	4	none	0.91
D	C	N & B Selected Sectors Plus Energy/N & B	8.3	2.5	1.9	387	–7	none	0.92
A	F	Neuwirth Fund/Wood Struthers	8.4	8.0	1.4	27	9	none	1.98
		New Economy Fund/American Funds	— *	0.7	2.5	891	–3	5.75	*0.92*
D	A	New England Balanced/TNE	11.3	5.6	3.9	59	1	6.50	*1.58*
A	B	New England Growth Fund/TNE	18.0	12.8	0.6	734	15	6.50	*1.23*
C	B	New England Retirement Equity/TNE	13.2	1.9	2.6	141	–3	6.50	*1.31*
A	C	New York Venture Fund/Venture	15.5	6.9	2.0	377	8	4.75	*1.00*
B	D	Newton Growth Fund/Newton	10.2	5.4	3.4	35	0	none	1.30
D	D	Niagara Share Corp/closed-end	7.4	–2.8	3.7	222	–6	NA	1.13
		Nicholas-Applegate Growth Eq#/Prudential	— *	1.9	0.2	103	–28	5.25	*1.16*

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		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
B	A	Nicholas Fund/Nicholas	16.2%	11.7%	1.7%	$1,715	13%	none	$0.81
		Nicholas II/Nicholas	— *	13.3	1.5	454	6	none	0.72
		Nicholas Limited Edition/Nicholas	— *	14.8	0.8	115	61	none	1.07
B	C	Northeast Investors Growth/Northeast Inv	11.9	9.8	0.9	32	17	none	1.60
		Olympic Trust–Equity Income/Olympic	— *	6.9	3.8	63	-3	none	1.00p
		Oppenheimer Discovery/Oppenheimer	— *	6.9	0.9	87	40	4.75%	*1.54*
B	B	Oppenheimer Equity Income/Oppenheimer	14.9	3.7	5.4	1,393	5	8.50	0.78
C	F	Oppenheimer Fund/Oppenheimer	5.9	11.7	2.3	203	3	8.50	1.10
F	A+	Oppenheimer Premium Income[1]/Oppenheimer	12.0	4.3	4.0	169	-30	8.50	1.01
D	C	Oppenheimer Special Fund/Oppenheimer	9.3	9.4	2.5	551	0	8.50	0.93
■C	■D	Oppenheimer Target[2]/Oppenheimer	— *	6.3	1.5	314	149	5.75	1.33
A	D	Oppenheimer Time Fund/Oppenheimer	12.8	2.5	3.6	309	-8	8.50	0.95
B	C	Oppenheimer Total Return/Oppenheimer	11.0	5.4	3.5	455	7	5.75	*0.98*
		Oppenheimer Value Stock[3]/Oppenheimer	— *	9.6	2.8	46	11	5.75	*1.30p*
D	B	Over-the-Counter Securities Fund/USF&G	10.5	-3.1	0.6	245	-16	5.75	*1.47*
		Pacific Horizon–Aggres Growth/Concord Finl	— *	17.3	none	118	18	4.50	*1.55p*
		PaineWebber Blue Chip Growth[4]/PaineWebber	— *	0.6	0.3	106	-2	5.00b	*2.27*
		PaineWebber Dividend Growth/PaineWebber	— *	8.0	2.1	193	198	4.50	*1.50*
		PaineWebber Growth Fund/PaineWebber	— *	6.6	1.0	85	1	4.50	*1.62*
		PaineWebber Regional Finl Grow/PaineWebber	— *	21.2	2.3	43	-14	4.50	*1.67*
		Parkstone Equity/Winsbury	— *	-0.5	3.9	299	21	4.50	1.15p
		Parkstone High Income Equity/Winsbury	— *	8.2	4.7	151	57	4.50	1.18p
		Parkstone Small Cap Value/Winsbury	— *	-6.8	1.1	108	14	4.50	1.20p
		Parnassus Fund/Parnassus	— *	3.8	0.8	29	10	3.50	1.61
		Pasadena Growth Fund/Pasadena Growth †	— *	10.0	none	155	200	5.50	2.20
		Patriot Premium Dividend Fund/closed-end	— *	9.2	10.8	193	0	NA	1.45
C	B	Penn Square Mutual Fund/Penn Square	13.1	7.0	3.6	212	0	4.75	*0.94*
B	B	Pennsylvania Mutual Fund/Penn Mutual	14.0	5.0	2.3	703	3	none§	0.94
D	D	Petroleum & Resources Corp/closed-end	5.8	1.9	3.8	313	-2	NA	0.62
D	C	Philadelphia Fund/Baxter	8.1	-4.0	2.7	89	-11	none	*1.19*
A	A	Phoenix Growth Fund/Phoenix	18.3	13.5	2.6	977	29	4.75	*1.08*
		Phoenix Multi–Capital Apprec/Phoenix	— *	27.5	1.1	65	480	4.75	*1.50*
B	■B	Phoenix Stock Fund/Phoenix	— *	7.4	1.2	120	-4	4.75	*1.16*
D	■A	Phoenix Total Return/Phoenix	— *	13.1	4.6	32	2	4.75	*1.58*
		Pierpont Capital Appreciation[5]/TBC	— *	-1.9e	none	59	23	none	0.98p
		Pierpont Equity Fund[5]/TBC	— *	14.2e	2.5	55	38	none	0.95p
C	C	Pilgrim MagnaCap Fund[6]/Pilgrim	10.8	5.4	1.5	200	-11	4.75	*1.60*

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Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
		Pilgrim Regional Bankshares/closed-end	— *	14.3%	6.4%	$92	3%	NA	$1.29
C	C	Pine Street Fund/Fund/Plan	10.4%	3.8	3.3	47	–7	none	1.21p
C	C	Pioneer Fund/Pioneer	10.4	3.7	3.2	1,553	–1	8.50%	0.78
B	C	Pioneer II/Pioneer	12.8	–1.4	3.2	3,999	–9	8.50	0.84
■ B	■ B	Pioneer Three/Pioneer	— *	6.3	2.6	681	–4	8.50	0.77
		Piper Jaffray Emerging Growth/Piper	— *	14.7	0.3	41	265	4.00	*1.30p*
		Piper Jaffray Value Fund/Piper	— *	13.3	1.3	86	64	4.00	*1.32p*
		Plymouth Growth Opportunities/Fidelity	— *	16.3	0.9	137	144	4.75	*1.94*
		Portico–Equity Index Fund/Sunstone	— *	7.1	2.7	46	28	none	0.50p
		Portico–Income & Growth Fund/Sunstone	— *	8.8	4.0	88	41	none	0.75p
		Portico–Special Growth Fund/Sunstone	— *	21.6	1.4	71	58	none	0.75p
		T Rowe Price Capital Appreciation/Price	— *	10.7	3.4	180	11	none	1.25p
		T Rowe Price Equity Income Fund/Price	— *	9.8	5.4	1,112	11	none	1.09
■ C	■ B	T Rowe Price Growth & Income/Price	— *	7.1	5.0	582	4	none	0.97
C	D	T Rowe Price Growth Stock Fund/Price	9.7	0.9	2.6	1,577	–3	none	0.85
		T Rowe Price New America Growth/Price	— *	6.2	0.9	159	13	none	1.25p
C	D	T Rowe Price New Era Fund/Price	8.6	2.1	3.1	765	–2	none	0.87
B	D	T Rowe Price New Horizons Fund/Price	8.0	3.2	0.7	1,191	13	none	0.90
		T Rowe Price Science & Technology/Price	— *	2.9	0.7	137	58	none	1.25p
		T Rowe Price Small-Cap Value Fund/Price	— *	4.1	2.4	43	32	none	1.25p
		T Rowe Price Spectrum Growth/Price	— *	3.1	1.9	86	NM	none	0.95
		Primary Trend Fund/Primary Trend	— *	10.7	4.9	33	–14	none	1.20
C	A	Princor Capital Accumulation/Princor	14.1	7.9	2.0	144	4	5.00	*1.10*
A	D	Princor Growth Fund/Princor	11.1	12.2	1.6	41	15	5.00	*1.24*
C	B	ProvidentMutual Growth/Provident	12.8	3.8	0.2	121	–22	6.00	*1.64*
D	B	ProvidentMutual Investment Shrs/Provident	12.7	–5.4	0.9	188	–17	6.00	*1.37*
B	■ B	Prudential Equity Fund#/Prudential	— *	14.6	3.0	820	25	4.50	*1.01*
		Prudential Equity Income#/Prudential	— *	9.2	3.3	141	–4	5.25	*1.42*
		Prudential FlexiFund–Conserv#/Prudential	— *	7.8	4.1	162	4	5.25	*1.27*
		Prudential FlexiFund–Strategy†#/Prudential	— *	10.6	3.2	216	23	5.25	*1.30*
B	■ D	Prudential Growth Oppor#/Prudential	— *	6.0	0.7	131	–2	5.25	*1.48*
		Prudential Multi-Sector#/Prudential	— *	7.1	3.3	139	–1	5.25	*1.35*
■ C	■ B	Prudential Option Growth#/Prudential	— *	2.5	2.2	51	–17	5.25	*1.96*
■ B	■ C	Prudential Research Fund#/Prudential	— *	1.4	1.7	266	–18	5.25	*1.46*
D	■ A	Prudential Utility Fund#/Prudential	— *	4.5	5.2	2,513	1	5.25	*0.97*
D	F	Putnam Energy-Resources Trust/Putnam	1.6	1.1	3.1	120	–5	5.75	*1.60*
C	B	Putnam Fund for Growth & Inc/Putnam	13.6	8.5	5.1	2,395	12	5.75	*1.07*

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†Formerly Prudential FlexiFund–Aggressive.

Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
A	■ D	Putnam Health Sciences Trust/Putnam	— *	22.3%	1.2%	$567	63%	5.75%	*$1.29*
		Putnam Information Sciences/Putnam	— *	-5.3	0.7	87	-16	5.75	*1.79*
B	D	Putnam Investors Fund/Putnam	11.5%	6.7	1.9	709	-1	5.75	*0.98*
		Putnam Option Income Trust II/Putnam	— *	9.3	3.2	722	-22	6.75	*1.11*
■ A	■ C	Putnam OTC Emerging Growth/Putnam	— *	-3.8	none	220	7	5.75	*1.55*
D	B	Putnam Strategic Income/Putnam	10.3	7.5	3.5	466	-40	5.75	*1.15*
A	B	Putnam Vista Fund/Putnam	14.9	7.7	1.5	267	2	5.75	*1.05*
A+	D	Putnam Voyager Fund/Putnam	14.8	11.8	0.8	918	14	5.75	*1.21*
C	A+	Quest for Value Fund/Quest	17.9	6.6	1.6	66	-4	5.50	*1.93*
		Quest for Value Dual-Capital[1]	— *	11.7	4.9	557	3	none	0.82
		Quest for Value Dual-Income							
		Reich & Tang Equity Fund/Reich & Tang	— *	6.4	2.6	79	-28	none	1.12
		Rightime Blue Chip Fund/Lincoln Inv	— *	16.4	1.9	179	45	4.75	*2.30*
		Rightime Fund/Lincoln Inv	— *	15.5	1.7	161	8	none	*2.55*
		Rightime Growth Fund/Lincoln Inv	— *	5.5	2.1	42	-9	4.75	*1.92*
		Robertson Stephens Emerging Growth[2]/Robertson	— *	8.8	none	64	233	none	*1.50*
		Rodney Square Multi-Mngr-Growth/Rodney Sq	— *	3.6	0.9	48	10	5.75	*1.50p*
		Royce-Equity Income/Quest Dist	— *	3.1	4.2	40	76	4.50b	0.96p
■ C	■ B	Royce Fund-Value/Quest Dist	— *	2.7	1.8	169	-12	4.50b	*1.89p*
		Royce Value Trust/closed-end	— *	3.8	1.6	151	8	NA	0.90
		RPF of America-Equity Fund/Venture	— *	11.6	1.2	31	4	5.00b	*2.62*
		Rushmore-Nova/Rushmore	— *	0.5	1.5	95	49	none	1.22
B	C	Safeco Equity Fund/Safeco	11.8	1.9	1.8	67	4	none	0.97
B	C	Safeco Growth Fund/Safeco	11.2	5.4	0.4	121	38	none	0.95
D	A	Safeco Income Fund/Safeco	13.5	4.2	5.5	180	-13	none	0.95
		St Clair Equity-Capital Growth/Fairfield	— *	9.1	1.0	57	184	none	1.38p
		Salem Funds-Growth[3]/Federated	— *	8.5	3.2	273	160	4.00	*1.02*
B	B	Salomon Brothers Capital/Salomon	13.3	-3.7	1.4	80	9	5.00	1.44
C	B	Salomon Brothers Fund/closed-end	12.1	5.2	3.3	1,017	0	NA	0.46
C	B	Salomon Brothers Investors/Salomon	12.3	2.6	3.3	353	-7	5.00	0.68
C	B	Salomon Brothers Opportunity/Salomon	14.3	4.4	2.6	99	-9	none	1.34
		SBSF-Growth Fund/SBSF	— *	2.7	3.8	101	2	none	*1.15*
■ D	■ B	Sci/Tech Holdings/ML Funds	— *	-0.7	5.6	133	-15	6.50	1.77
A	C	Scudder Capital Growth/Scudder	13.2	0.4	2.2	934	-6	none	1.07
C	D	Scudder Development Fund/Scudder	10.3	10.3	none	479	33	none	1.36
C	C	Scudder Growth & Income Fund/Scudder	10.8	6.9	4.6	569	13	none	1.04
■ C	■ C	Security Action Fund/Security Dist	— *	-4.0	0.6	267	6	**	0.80

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Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
A	D	Security Equity Fund/Security Dist	11.3%	8.2%	2.7%	$270	0	5.75%	$1.08p
D	C	Security Investment Fund/Security Dist	7.8	10.6	7.4	76	-1%	5.75	1.30p
D	F	Security Ultra Fund/Security Dist	4.0	-15.0	none	60	4	5.75	2.08p
C	A	Selected American Shares/Kemper Secs	15.5	16.7	2.7	557	35	none	*1.10*
B	D	Selected Special Shares/Kemper Secs	10.4	2.7	1.9	59	-1	none	*1.26*
A+	D	Seligman Capital Fund/Seligman	13.1	10.7	none	134	1	4.75	0.92
B	B	Seligman Common Stock Fund/Seligman	13.5	4.1	3.3	459	-8	4.75	0.66
		Seligman Communications & Info/Seligman	— *	-6.8	none	40	-13	4.75	1.67
B	D	Seligman Growth Fund/Seligman	10.2	6.2	1.3	531	-5	4.75	0.71
C	A	Sentinel Common Stock Fund/Equity	15.7	9.2	3.8	605	1	8.50	0.75
A	D	Sentinel Growth Fund/Equity	12.8	1.8	1.2	56	-1	5.25	1.15
B	D	Sentry Fund/Sentry	11.1	12.3	2.5	57	11	none	0.69
D	A+	Sequoia Fund/Ruane	18.1	7.4	2.9	1,029	5	†	1.00p
		Shearson Aggressive Growth/Shearson	— *	-2.1	none	122	14	5.00	1.17
B	B	Shearson Appreciation/Shearson	15.0	6.6	2.7	1,410	26	5.00	0.84
		Shearson Equity–Growth & Oppor/Shearson	— *	4.2	2.4	138	-24	5.00b	*1.01p*
		Shearson Equity–Sector Analysis/Shearson	— *	13.0	3.1	177	-17	5.00b	*2.13*
		Shearson Equity–Strategic Inv/Shearson	— *	8.2	3.0	206	-5	5.00b	*2.05*
D	■B	Shearson Fundamental Value/Shearson	— *	0.1	3.8	56	-32	5.00	
		Shearson Income–Option Inc/Shearson	— *	12.3	8.7	456	-13	5.00b	*1.74*
		Shearson Invest–Directions Val/Shearson	— *	1.9	1.3	248	-19	5.00b	*1.83*
		Shearson Invest–European/Shearson	— *	-13.0	1.3	28	7	5.00b	*2.98*
D	■B	Shearson Invest–Growth/Shearson	— *	0.4	4.4	702	-18	5.00b	*1.85*
■D	■D	Shearson Invest–Special Equities/Shearson	— *	-16.4	3.1	73	-39	5.00b	*2.35*
		Shearson Multiple Oppors LP/Shearson	— *	2.5	1.8	142	-29	3.00b	*3.02p*
		Shearson 1990s Fund/Shearson	— *	-2.1	none	46	33	5.00	*1.83*
		Shearson Small Capitalization/Shearson	— *	-13.9	none	34	2	5.00	1.53
		Shearson Telecommun–Growth/Shearson	— *	-4.1	1.8	32	-16	5.00	1.24
■A	■C	Sit New Beginning Growth Fund/Sit	— *	14.1	0.8	126	71	none	1.10
		Skyline Fund–Special Equities/Mesirow	— *	7.2	0.8	34	33	3.85	*1.59*
C	C	Smith Barney Equity Fund/Smith Barney	11.2	3.5	2.8	80	-4	4.50	*0.89*
D	A	Smith Barney–Income & Grow/Smith Barney	14.9	4.5	6.0	555	-5	4.50	*0.59*
C	A+	SoGen International Fund/SoGen	16.1	3.5	4.0	262	34	3.75	*1.30*
		Sound Shore Fund/Sound	— *	3.9	3.6	32	-16	none	1.33
D	A+	Source Capital/closed-end	15.6	5.1	3.8	304	-2	NA	0.97
		SAM Small Cap Fund/Southeastern	— *	-11.3	2.6	57	-13	none	1.43
		SAM Value Trust/Southeastern	— *	10.2	0.6	161	9	none	1.32

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Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 3/31/90	Maximum sales charge	Annual expenses per $100
		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
		Southeastern Growth Fund/Wheat First	— *	9.5%	0.5%	$93	-12%	5.00b%	*$2.25p*
D	A	Sovereign Investors/Sovereign	15.1%	12.1	4.3	106	32	5.00	*1.14*
		Spartan Market Index/Fidelity	— *	7.3	3.1	130	348	no	0.28p
B	D	State Bond Common Stock Fund/State Bond	10.8	7.3	1.9	40	3	4.75	*1.19*
C	B	State Bond Diversified Fund/State Bond	12.8	9.8	3.9	26	8	4.75	*0.96*
B	C	State Street Investment Trust/MetLife	12.2	3.9	2.8	584	0	4.50	0.50
B	F	SteinRoe Capital Opportunities/Stein Roe	4.8	-9.3	0.8	111	-31	none	1.29
A	C	SteinRoe Special Fund/Stein Roe	14.9	2.8	1.9	544	21	none	1.03
A	D	SteinRoe Stock Fund/Stein Roe	9.6	4.5	2.0	266	10	none	0.72
D	A+	Stratton Monthly Dividend Shares/Stratton	12.9	12.2	8.9	33	4	none	1.27
		Strong Discovery Fund/Strong	— *	13.8	1.1	91	27	2.00	1.70
		Strong Opportunity Fund/Strong	— *	1.1	2.1	146	-18	2.00	1.70
		SunAmerica Capital Apprec/SunAmerica	— *	-12.2	0.5	116	-36	5.00b	*2.51*
		SunAmerica Equity-Aggress Grow/SunAmerica	— *	1.4	none	32	-17	5.75	*2.05*
		SunAmerica Equity-Growth/SunAmerica	— *	-0.8	2.6	30	-26	5.75	*1.84*
		Thomson Fund-Growth#/Thomson	— *	6.3	1.0	489	34	5.50	*1.16*
		Thomson Fund-Opportunity#/Thomson	— *	9.2	none	48	8	5.50	*1.33*
		Tower-Capital Appreciation/Federated	— *	3.1	2.7	78	13	4.50	*0.70p*
C	C	Transamerica Capital Apprec[1]/Transamerica	9.7	-1.9	0.0	77	9	4.75	*1.54*
		Transamerica Special Emerg Grow/Transamerica	— *	9.7	none	26	60	6.00b	*3.11*
C	■C	Transamerica Sunbelt Growth/Transamerica	— *	-1.9	1.4	25	-18	4.75	*2.05*
B	C	Tri-Continental Corp/closed-end	12.7	3.5	3.1	1,679	-1	NA	0.56
		20th Century Giftrust Investors/20th Century	— *	-4.4	none	41	21	none	1.00
A+	D	20th Century Growth Investors/20th Century	12.3	4.0	0.6	2,545	24	none	1.00
		20th Century Heritage Investors/20th Century	— *	-1.9	1.4	250	13	none	1.00
A	C	20th Century Select Investors/20th Century	15.0	1.3	1.8	3,764	14	none	1.00
A+	■F	20th Century Ultra Investors/20th Century	— *	30.1	none	1,147	189	none	1.00
		20th Century Vista Investors/20th Century	— *	-3.7	none	541	10	none	1.00
■C	■B	UMB Stock Fund/Jones & Babson	— *	8.6	3.8	53	11	none	NA
C	B	United Accumulative Fund/Waddell	13.8	1.7	3.4	850	-3	8.50	0.63
A	A	United Income Fund/Waddell	17.7	4.7	3.0	1,894	9	8.50	0.67
■C	■C	United New Concepts Fund/Waddell	— *	23.7	1.3	86	31	8.50	1.36
C	C	United Science & Energy Fund/Waddell	11.4	5.7	1.6	281	7	8.50	0.87
		US Boston Inv-Growth & Income[2]/US Boston	— *	7.4	1.5	40	8	1.00b	*1.80*
B	C	US Trend Fund/Capstone	11.1	5.8	2.7	91	0	4.75	0.98
B	B	United Vanguard Fund/Waddell	14.1	0.2	2.4	804	-1	8.50	0.99
B	■D	USAA Mutual-Aggressive Growth/USAA	— *	5.8	0.6	178	13	none	0.91

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		Standard & Poor's 500 stock average	14.2%	7.4%	3.3%				
		Forbes stock fund composite	12.2%	6.0%	2.6%				$1.29
C	D	USAA Mutual–Growth Fund/USAA	8.7%	6.2%	3.0%	$290	16%	none	$1.16
		USAA Mutual–Income Stock/USAA	— *	11.5	5.4	133	54	none	0.90
		UST Master Funds–Equity/UST Secs	— *	1.3	2.0	36	16	4.50%	1.23
		Value Line Convertible Fund/Value Line	— *	3.1	7.1	37	–20	none	1.19
C	C	Value Line Fund/Value Line	10.8	8.5	1.6	240	13	none	0.71
D	A	Value Line Income Fund/Value Line	12.5	11.3	5.4	149	3	none	0.77
B	B	Value Line Leveraged Growth Inv/Value Line	14.0	11.0	1.4	281	8	none	0.96
D	D	Value Line Special Situations/Value Line	4.9	4.1	1.1	114	–4	none	1.11
		Van Kampen Merritt Gr & Inc/Van Kampen	— *	10.6	2.7	25	–2	4.90	*1.84*
		Vanguard Equity Income Fund/Vanguard	— *	1.4	6.6	474	11	none	0.53
D	D	Vanguard Explorer Fund/Vanguard	7.6	6.7	1.0	326	12	none	0.64
		Vanguard Gemini II Capital[1]	— *	5.5	6.5	272	–3	none	0.55
		Vanguard Gemini II Income							
B	C	Vanguard Index–500 Portfolio/Vanguard	13.8	7.2	3.3	3,044	29	none[2]	0.19
		Vanguard Index–Extended Mkt/Vanguard	— *	4.6	2.3	255	38	none[2]	0.21
A	C	Vanguard/Morgan Growth/Vanguard	13.1	7.4	2.8	895	18	none	0.55
		Vanguard Primecap Fund/Vanguard	— *	7.0	0.9	391	26	none	0.75
		Vanguard Quantitative Portfolios/Vanguard	— *	7.5	3.1	272	34	none	0.45
C	D	Vanguard Small Cap Stock/Vanguard	7.0	2.2	1.6	97	107	none[2]	0.23
		Vanguard Special–Energy/Vanguard	— *	–1.2	3.1	135	32	none§	0.35
		Vanguard Special–Health Care/Vanguard	— *	24.1	1.7	349	160	none§	0.36
C	B	Vanguard Trustees Comm–US/Vanguard	12.8	2.0	4.0	110	–9	none	0.52
B	A	Vanguard Windsor Fund/Vanguard	16.9	2.4	6.2	7,709	–3	†	0.33
		Vanguard Windsor II/Vanguard	— *	7.6	5.1	2,923	16	none	0.51
		Vista Growth & Income/Vista	— *	21.3	2.0	30	30	4.50	*1.09p*
B	A	Washington Mutual Investors/American Funds	16.9	8.5	4.2	6,792	27	5.75	*0.77*
		Weitz Series Fund–Value/Weitz Secs	— *	8.4	2.4	29	19	none	1.49
		Westcore–Basic Value Fund/Westcore	— *	5.7	3.4	99	–27	4.50	0.90p
		Westcore–MIDCO Growth/Westcore	— *	22.1	0.5	127	52	4.50	0.78p
		Westcore–Modern Value Equity/Westcore	— *	8.6	2.4	26	3	4.50	0.84p
		Westwood Fund/Furman Selz	— *	2.2	4.5	50	–10	4.00	1.26
D	D	Winthrop Focus Funds–Growth[3]/National Finl	7.4	–0.2	1.9	48	–8	4.00b	*1.40*
C	C	WPG Growth & Income[4]/Weiss	11.5	2.3	1.8	34	–7	none	1.47
A	C	WPG Tudor Fund/Weiss	15.1	1.9	1.2	212	5	none	1.10
		Zweig Fund/closed-end	— *	10.4	5.7	422	4	NA	*1.27*
		Zweig Series–Priority Selec[5]/Zweig	— *	10.4	0.5	45	–6	5.50	*1.77*
		Zweig Total Return/closed-end	— *	8.9	6.2	594	1	NA	1.09

■ Fund rated for two periods only; maximum allowable grade A. * Fund not in operation for full period. † Closed to new investors. § Distributor may impose redemption fee, which proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Dual Fund. Performance, asset and expense data on capital and income shares treated as a unit. [2]Annual $10 maintenance fee. [3]Reflects performance of deVegh Mutual Fund prior to 5/87 merger. [4]Formerly WPG Fund. [5]Reflects performance of Zweig-Blue Chip Fund prior to 1990 merger.

Distributor table, page 294. Rules, page 210.

Closed-end stock funds

WHY DO presumably rational people buy closed-end funds when they first come out? This is one of the great mysteries on Wall Street.

Closed-ends funds are issued at a premium to net asset value. That is, the buyer pays $1 for only 93 cents or so of assets. So far, the investor isn't any worse off than he or she would be investing in an open-end fund carrying a 7% load. But the economics get worse. If the investor wants out he has to sell his shares in the open market, like shares of stock. For this, he will incur a second brokerage commission. Moreover, if demand for this fund is weak in the secondary market, the share price will sink to a discount to the fund's net asset value.

The next question is why more people don't buy closed-ends in the secondary market when their prices sink to attractive discounts from net asset value. Here the answer is a little less mysterious. A liquidation of the fund, which would allow the investor to exit at full net asset value, may be years or decades in coming. In the meantime, the operator of the fund is raking off fees every year.

We capture the tradeoff between discounts and operating costs in the table. The "relative discount" is the number of years it would take for the operating costs to eat away the entire benefit of being able to buy the fund at a discount.

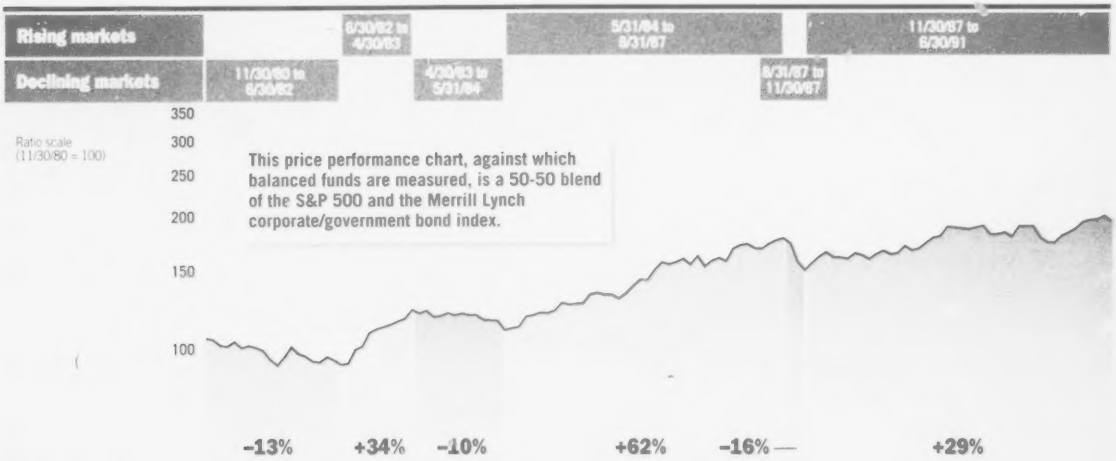
How can investors (latecomers, that is; not the new-issue victims) profit from the situation? Peter Thayer, president of Milford, Ohio-based Gateway Investment Advisers, looks for funds trading at substantial discounts to their net asset value, then works to convince the fund's manager to raise the fund's stock price. If the fund converts to open-end status, as Financial News Composite Fund and Schafer Value Trust did last year, both at the urging of Thayer, shareholders realize the full net asset value behind their shares. Occasionally old closed-ends simply sell off their portfolios and mail out checks to shareholders, as the 62-year-old Niagara Share Corp. intends to do later this year. –ERIC HARDY

Fund	3-year return annualized	Recent price	Discount	Annual expenses per $100	Relative discount[1]
Salomon Brothers Fund	10.9%	13¼	–14.6%	$0.46	34.2
Baker, Fentress	4.5	17¾	–15.8	0.68	25.3
Hampton Utilities Trust	11.0	10⅞	–16.2	0.81	21.7
New Germany Fund	—*	9⅞	–17.2	0.98	19.1
American Capital Convertible	4.1	17½	–15.0	0.86	18.9
Petroleum & Resources	11.5	27⅜	–10.2	0.62	17.3
Future Germany Fund	—*	11¼	–16.4	1.12	15.9
Quest for Value Dual[2]	24.5	28	–11.7	0.82	15.1
General American Investment	21.6	24¼	–13.8	1.07	13.8
Emerging Germany Fund	—*	7⅜	–17.3	1.37	13.8
Convertible Holdings[2]	6.9	17½	–11.1	0.86	13.6
Castle Convertible	7.9	19¼	–14.3	1.15	13.4
Growth Fund of Spain	—*	9⅜	–16.8	1.38	13.2
Irish Investment Fund	—*	7¾	–19.8	1.70	12.8
Austria Fund	—*	9⅛	–17.1	1.75	10.6
Bancroft Convertible	2.8	17½	–14.8	1.50	10.6
Engex	–10.5	6¾	–21.5	2.34	10.2
Chile Fund	—*	27¼	–16.4	2.04	8.7
Scudder New Europe	—*	8½	–15.3	1.89	8.7
Japan OTC Equity Fund	—*	10⅝	–11.7	1.43	8.6
Ellsworth Convertible Growth & Inc	6.2	7⅜	–12.0	1.50	8.5
Worldwide Value	0.0	13⅜	–18.3	2.40	8.3
Counsellors Tandem Secs	21.5	12	–16.0	2.33	7.4
Mexico Fund	53.8	22⅜	–10.0	1.45	7.2
Italy Fund	13.1	10⅛	–10.9	1.70	6.8
GT Greater Europe Fund	—*	10	–11.5	1.89	6.4
Portugal Fund	—*	9⅜	–12.1	2.04	6.3
Clemente Global Growth	8.4	9	–12.7	3.08	6.2
United Kingdom Fund	—*	9⅝	–12.7	2.19	6.1
First Iberian	3.6	7¾	–12.5	2.18	6.1

Prices and discounts as of Aug 2. *Fund not in operation for full period. [1]Number of years after which expenses, continuing at current rates, would dissipate the benefit of buying the fund at its current discount and having it liquidated at full net asset value. [2]Dual fund, with capital and income shares treated as a unit. Due to be liquidated in 1997.

Balanced funds

Balanced funds mix stocks with bonds. We include in the balanced category funds that buy convertible bonds or that call themselves "asset allocators." Balanced funds are graded separately from stock funds, and the benchmark used for their performance is a hybrid, rebalanced monthly, of the S&P 500 index and the Merrill Lynch corporate/government bond index. Balanced funds are generally more conservative than stock funds: They hold up better in a crash, but in a strong market they do not perform as well as stock funds. To appear on this list a balanced fund must have at least $25 million of assets and a full year of performance history; to be graded, a fund must have been around for at least two full market cycles—that is, since April 1983.



Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Blended stock and bond market index	13.8%	9.2%	5.9%				
		Forbes balanced fund composite	12.4%	6.8%	5.7%				$1.26
		Advantage Income Fund/Advest	—*	6.7%	6.0%	$44	-16%	4.00b%	*$2.10*
B	C	Alliance Balanced Shares#/Alliance	13.6%	8.7	3.3	150	-5	5.50	*1.42*
B	B	American Balanced Fund/American Funds	14.2	9.1	5.6	477	54	5.75	*0.84*
C	B	American Capital Convert Secs/closed-end	12.8	-2.4	7.0	65	-10	NA	0.86
B	B	American Capital Equity Income/American Cap	14.2	2.4	4.9	91	-4	5.75	*0.89*
B	D	American Capital Harbor Fund/American Cap	11.5	4.0	6.4	347	-8	5.75	*0.89*
		AMEV Advantage-Asset Alloc/AMEV	—*	6.3	2.0	25	4	4.50	*1.78*
A	D	Axe-Houghton Fund B/USF&G	12.3	14.0	7.2	166	3	5.75	*1.00*
D	C	Bancroft Convertible Fund/closed-end	8.7	5.3	7.2	53	-2	NA	1.50
F	F	Bull & Bear Gold Investors/Bull & Bear	-1.3	-6.2	0.3	33	-16	none	*2.79*

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 11/80 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Blended stock and bond market index	13.8%	9.2%	5.9%				
		Forbes balanced fund composite	12.4%	6.8%	5.7%				$1.26
■C	■D	Calvert Social Inv–Managed Grow/Calvert	—*	7.0%	3.6%	$305	22%	4.75%	*$1.33*
D	A	Castle Convertible Fund/closed-end	11.5%	11.0	7.5	49	3	NA	1.15
A+	D	CGM Mutual Fund/TNE	15.8	12.3	3.7	315	–2	none	0.97
B	D	Colonial Fund/Colonial	13.1	6.7	4.0	342	2	5.75	*1.04*
D	D	Colonial Strategic Inc–Diversified/Colonial	8.4	5.6	10.5	416	–4	4.75	1.12
D	C	Commonwealth Inv–Balanced/Trusteed	11.0	6.3	5.2	44	–5	7.50	1.00
C	B	Composite Bond & Stock Fund/Murphey	11.8	10.9	4.9	65	–9	4.00	*1.22*
		Connecticut Mutual–Total Ret/Phelps	—*	8.1	4.5	73	6	6.25	1.23
		Convertible Holdings–Capital[1] Convertible Holdings–Income	—*	6.7	7.0	263	–1	none	0.86
		Dean Witter Convertible Secs/Dean Witter	—*	–1.8	5.2	316	–43	5.00b	*1.93*
		Dean Witter Managed Assets/Dean Witter	—*	9.4	3.9	214	–22	5.00b	*1.78*
		Dean Witter Strategist/Dean Witter	—*	6.5	2.1	221	23	5.00b	*1.53*
		Delaware Group Delaware Fund/Delaware	—*	4.2	5.0	413	4	6.75	0.73
A	C	Dodge & Cox Balanced Fund/Dodge & Cox	13.7	8.3	4.8	127	104	none	0.70
D	C	Dreyfus Convertible Securities/Dreyfus	10.9	–10.7	5.5	210	–24	none	1.07
		Duff & Phelps Utilities Income[2]/closed-end	—*	11.8	9.1	1,186	4	NA	1.27
		Eaton Vance High Income Trust/Eaton Vance	—*	3.4	16.4	191	–17	6.00b	*2.65*
D	A	Eaton Vance Inc Fund of Boston/Eaton Vance	11.4	8.6	15.5	66	–11	4.75	*1.05*
C	C	Eaton Vance Investors Fund/Eaton Vance	12.2	6.0	5.5	198	–3	4.75	*0.89*
		Ellsworth Convert Growth & Inc/closed-end	—*	5.7	7.2	50	–2	NA	1.50
D	A	Federated Stock & Bond Fund/Federated	13.1	6.1	5.3	87	–2	none	1.01p
		Fidelity Asset Manager/Fidelity	—*	16.6	5.3	535	41	none	1.16
		Fidelity Balanced Fund/Fidelity	—*	13.6	5.7	418	87	none	0.98
		Fidelity Convertible Securities/Fidelity	—*	11.7	5.0	86	22	none	1.31
B	B	Fidelity Puritan Fund/Fidelity	15.5	7.3	6.0	4,790	–2	2.00	0.66
		First Investors Total Return/First Inv	—*	6.1	4.0	50	250	6.90	*1.41p*
D	A	Franklin Income Fund/Franklin	12.6	11.5	11.2	1,520	6	4.00	0.55
		FundTrust–Growth & Income/Signature	—*	4.1	5.3	28	–9	1.50	*1.91p*
		Gabelli Convertible Secs/Gabelli	—*	10.5	4.3	98	31	4.50	1.52
B	B	IDS Mutual/IDS	13.5	9.3	6.0	1,786	7	5.00	0.70
C	A+	Income Fund of America/American Funds	15.6	8.9	7.1	2,660	27	5.75	*0.67*
		Kemper Invest–Total Return/Kemper	—*	9.4	3.9	579	1	3.00b	*2.21*
A+	F	Kemper Total Return Fund/Kemper	11.8	11.3	5.4	903	–1	5.75	0.87
C	C	Keystone Custodian K-1/Keystone	12.0	7.4	5.9	902	9	4.00b	*1.92*
		Lincoln National Convert Secs/closed-end	—*	12.9	6.4	101	5	NA	0.97
		Lord Abbett Equity-1990/Lord Abbett	—*	10.7	2.5	67	–18	†	*1.80p*
		Mackenzie No Amer Total Return/Mackenzie	—*	0.0	5.5	56	–35	5.75	*1.96*
		MainStay–Total Return Fund/NYLife	—*	9.0	2.1	93	100	5.00b	*2.33*
A	C	Mass Financial Total Return/Mass Finl	14.5	6.5	5.8	832	10	4.75	*0.85*
		Merrill Lynch Bal Inv & Retire[3]#/ML Funds	—*	5.0	6.3	1,020	–29	6.50	0.91

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Dual fund. Performance, asset and expense data on capital and income shares treated as a unit. [2]Formerly Duff & Phelps Selected Utilities. [3]Formerly Retirement Benefit.

Distributor table, page 294. Rules, page 210.

BALANCED FUNDS

FUND SURVEY

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 11/80 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Blended stock and bond market index	13.8%	9.2%	5.9%				
		Forbes balanced fund composite	12.4%	6.8%	5.7%				$1.26
■B	■C	Merrill Lynch Phoenix Fund#/ML Funds	—*	4.2%	6.0%	$206	-20%	6.50%	$1.32
		Merriman Timed Asset Alloc/Merriman	—*	6.1	3.4	28	27	none	1.52p
		MetLife-State Street Mgd Assets/MetLife	—*	-0.2	6.0	63	-2	4.50	*1.25p*
F	A	Mutual of Omaha Income/Mutual of Omaha	11.8%	8.1	7.2	176	2	4.75	*0.94*
C	B	National Total Income Fund/National Secs	15.0	6.8	5.3	261	17	5.75	*1.43*
B	C	National Total Return Fund/National Secs	13.1	6.0	3.8	252	-5	5.75	*1.38*
		NA Security–Mod Asset Alloc/Wood Logan	—*	2.4	3.7	33	-27	4.75	*2.40*
		Oppenheimer Asset Allocation[1]/Oppenheimer	—*	5.4	5.1	140	66	5.75	*1.36*
		Overland Express Asset Allocation/Overland	—*	8.7	5.6	34	18	4.50	*1.56*
		PaineWebber Asset Allocation[2]/PaineWebber	—*	7.9	5.6	368	-28	5.00b	*1.95*
		Patriot Premium Dividend Fund II/closed-end	—*	8.8	10.2	253	-8	NA	1.38
■D	■C	Permanent Port–Permanent/Permanent	—*	2.1	3.1	76	-14	none	*1.36*
B	■C	Phoenix Balanced Fund/Phoenix	—*	14.2	4.2	699	43	4.75	*0.90*
C	B	Phoenix Convertible Fund/Phoenix	14.6	6.5	5.0	159	5	4.75	*1.08*
		Plymouth Income & Growth/Fidelity	—*	15.8	4.3	92	49	4.75	*1.85*
C	C	ProvidentMutual Total Return/Provident	11.5	-2.0	3.4	64	-8	6.00	*1.54*
		Prudential IncomeVertible +#/Prudential	—*	6.9	7.6	419	-20	5.25	*1.32*
C	D	Putnam Convert Income-Growth/Putnam	11.5	5.7	7.0	559	-22	5.75	*1.19*
		Putnam Dividend Income Fund/closed-end	—*	13.2	12.7	182	72	NA	0.85
A	D	George Putnam Fund of Boston/Putnam	14.0	9.5	5.2	467	6	5.75	*1.00*
■C	■C	Rea-Graham Balanced Fund/Rea	—*	0.9	6.4	33	-20	4.75	*2.04*
D	A	Seligman Income Fund/Seligman	11.8	5.2	8.9	137	-8	4.75	0.76
B	B	Sentinel Balanced Fund/Equity	14.6	9.2	5.9	83	6	8.50	0.86
		Shearson Income–Utilities/Shearson	—*	10.4	6.8	825	34	5.00b	*1.65*
		Shearson Principal Return/Shearson	—*	6.1	6.4	118	-15	5.00	0.83
C	D	SteinRoe Total Return Fund/Stein Roe	9.7	9.7	5.0	141	1	none	0.91
D	■A	Strong Investment Fund/Strong	—*	7.4	6.0	205	-11	1.00	1.30
C	■B	Strong Total Return Fund/Strong	—*	1.6	3.3	624	-23	1.00	1.33
		SunAmerica Bal Assets/SunAmerica	—*	3.9	1.6	90	-28	5.00b	*1.99p*
		SunAmerica Multi-Asset–Tot Ret/SunAmerica	—*	-2.2	4.0	29	-11	5.75	*2.05*
		TCW Convertible Securities Fund/closed-end	—*	8.1	6.6	162	-3	NA	0.94
C	B	Transamerica Growth & Income/Transamerica	12.2	5.3	1.8	71	3	4.75	*1.29*
		20th Century Balanced Inv/20th Century	—*	6.8	3.1	130	115	none	1.00
A	D	United Continental Income Fund/Waddell	13.6	4.2	4.8	307	-4	8.50	0.85
B	C	United Retirement Shares/Waddell	12.8	5.1	4.0	195	21	8.50	0.88
		USAA Investment–Balanced/USAA	—*	6.7	4.8	47	23	none	0.98p
		Vanguard Asset Allocation/Vanguard	—*	9.0	5.1	219	23	none	0.51
		Vanguard Convertible Securities/Vanguard	—*	3.0	6.1	51	-7	none	0.86
		Vanguard STAR Fund/Vanguard	—*	7.8	6.1	1,267	18	none	0.44
C	A+	Vanguard Wellesley Income Fund/Vanguard	14.6	9.7	7.9	1,336	45	none	0.40
A	C	Vanguard Wellington Fund/Vanguard	14.1	8.2	5.7	3,010	29	none	0.36

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Acquired stock fund Oppenheimer Premium Income 7/91. [2]As of 7/1/91 two classes of shares available, one with front-end load, the other with exit fee and 12b-1.

Distributor table, page 294. Rules, page 210.

Global stock funds

Global funds mix foreign and U.S. securities; funds that buy almost exclusively abroad are found in the foreign stock fund table on page 258. The globals provide investors with a high degree of diversity. Over the last 12 months, for instance, foreign stocks were disasters, at least for an investor who measures performance in dollars: The Morgan Stanley index for Europe, Australia and the Far East that we use as our foreign stock benchmark was off 12.8%. But the S&P 500 was up 7.4%, dividends included, cushioning the blow. Thus, the average global fund in this table had a return of –3.3% over 12 months. Within our list of global funds are a number of sector funds. Both the Oppenheimer Global Bio-Tech Fund and GT Global Healthcare Fund managed to show respectable double-digit returns over the last 12 months. But the return on the MetLife-State Street Global Energy Fund was –18.3%.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 7/82 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Blended domestic and foreign stock index	21.2%	–1.7%	2.7%				
		Forbes global fund composite	17.7%	–3.3%	2.5%				$1.75
		AMA Family of Funds–Global Growth/AMA	—*	–3.7%	2.4%	$93	–15%	4.75%	*$1.77*
		Ballard Biehl & Kaiser Diversa/Ballard	—*	–2.8	3.9	64	–35	none	1.50
		Benham Gold Equities Index/Benham	—*	–9.7	0.6	133	68	none	0.75
		Blanchard Precious Metals Fund/Sheffield	—*	–3.3	none	28	–8	—[1]	*3.05*
		Blanchard Strategic Growth/Sheffield	—*	–3.0	2.3	181	–26	—[1]	*2.36*
		Clemente Global Growth Fund/closed-end	—*	–12.7	none	63	–14	NA	3.08
		Colonial Advanced Strategies Gold/Colonial	—*	–8.9	2.6	46	–22	5.75	*1.95*
■C	C	Dean Witter World Wide Inv/Dean Witter	—*	–7.9	1.5	260	–20	5.00b	*2.29*
		Dreyfus Strategic World Inv/Dreyfus	—*	7.0	none	35	69	3.00	*1.50p*
		Fidelity Select–American Gold/Fidelity	—*	–6.8	none	189	–4	3.00	1.75
		Fidelity Worldwide Fund/Fidelity	—*	–14.4	0.9	98	561	—[2]	1.82
A	D	First Investors Global Fund/First Inv	19.4%	–12.0	none	217	–12	6.90	*1.88*
		Freedom Inv II–Global Fund/Freedom	—*	–9.1	none	29	–30	3.00b	*2.56*
		GAM Global Fund/GAM	—*	–14.8	none	27	3	5.00	2.45
		GT Global Growth–Worldwide/GT Global	—*	–5.0	0.7	106	25	4.75	*2.10*
		GT Global Healthcare/GT Global	—*	21.3	1.0	370	225	4.75	*1.91*
		John Hancock Global/Hancock	—*	–10.3	1.3	78	–24	4.50	*2.08*
		IDS Global Growth Fund/IDS	—*	–3.1	1.7	33	444	5.00	*1.81*
		Lexington Global Fund/Lexington	—*	–7.5	1.0	52	–6	none	1.59
D	D	Lexington Goldfund/Lexington	10.1	–1.9	0.8	107	–12	none	1.36
		Lord Abbett Global–Equity/Lord Abbett	—*	–7.0	1.8	34	–7	6.75	*1.46p*
		Merrill Lynch Global Allocation#/ML Funds	—*	11.9	7.5	192	6	6.50	1.29
■C	■A	Merrill Lynch Intl Holdings#/ML Funds	—*	–7.6	2.4	199	–12	6.50	1.59
		MetLife-State Street Global Energy/MetLife	—*	–18.3	0.7	30	–16	4.50	*1.75p*
		MFS Lifetime Global Equity Trust/Mass Finl	—*	–5.4	0.3	87	11	6.00b	*2.93*
		National Global Allocation/National Secs	—*	–3.4	4.3	63	–25	5.75	*2.11*

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. †Closed to new investors. #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. [1]Flat fee of $125 on initial investment. [2]Sales charge waived until 12/91. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available.

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Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 7/82 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Blended domestic and foreign stock index	21.2%	-1.7%	2.7%				
		Forbes global fund composite	17.7%	-3.3%	2.5%				$1.75
		National World Wide Oppor/National Secs	—*	-5.3%	4.4%	$60	-15%	5.75%	*$1.34p*
C	B	New Perspective Fund/American Funds	18.3%	-1.1	2.7	1,913	22	5.75	*0.82*
		Oppenheimer Global Bio-Tech/Oppenheimer	—*	31.7	none	68	441	†	*1.61*
		Oppenheimer Global Environment/Oppenheimer	—*	-12.7	0.7	63	87	4.75	*1.62*
B	C	Oppenheimer Global Fund/Oppenheimer	19.6	-8.4	0.6	913	13	8.50	1.77
■A	■B	PaineWebber Atlas Global Growth[1]/PaineWebber	—*	-8.3	3.4	205	-5	4.50	*1.56*
		PaineWebber Global Energy Fund[1]/PaineWebber	—*	-4.4	1.1	55	22	5.00b	*2.39*
		PaineWebber Global Growth & Inc[1, 2]/PaineWebber	—*	-5.0	7.3	85	-17	4.50	*2.02*
D	A	Pax World Fund/Pax World	17.1	14.7	4.0	179	66	none	*1.17*
■B	■C	Prudential Global Fund#/Prudential	—*	-6.9	2.1	258	-22	5.25	*1.57*
		Prudential Global Genesis#/Prudential	—*	-11.7	none	42	1	5.25	*3.13*
		Prudential Global Nat Resources#/Prudential	—*	-4.6	1.9	32	-30	5.25	*2.27*
B	C	Putnam Global Growth[3]/Putnam	20.7	-5.0	2.0	605	-4	5.75	*1.49*
		Scudder Global Fund/Scudder	—*	-5.2	3.4	268	4	none	1.81
		Scudder Gold Fund/Scudder	—*	-3.1	none	33	93	none	2.50p
■C	■D	Shearson Global Oppor/Shearson	—*	-8.3	1.7	59	-25	5.00	1.70
		Shearson Invest–Precious Metals/Shearson	—*	-7.9	0.3	50	-27	5.00b	*2.45*
		Smallcap World Fund/American Funds	—*	6.5	2.4	760	10	†	*1.29*
		Templeton Emerging Markets/closed-end	—*	12.3	1.5	183	-2	NA	1.86
		Templeton Global Oppor/Templeton	—*	1.8	2.8	178	-1	6.25	*1.65*
		Templeton Global Utilities/closed-end	—*	5.2	5.8	34	0	NA	1.54
C	B	Templeton Growth Fund/Templeton	18.6	1.4	3.6	2,685	1	8.50	0.76
		Templeton Income Fund/Templeton	—*	9.0	9.5	123	13	4.50	1.04
		Templeton Real Estate Secs/Templeton	—*	5.1	3.7	32	182	8.50	1.25p
C	C	Templeton Smaller Cos Growth/Templeton	17.8	3.5	2.2	847	-5	8.50	0.88
		Templeton Value Fund/Templeton	—*	3.2	0.3	142	-20	8.50	1.48
C	C	Templeton World Fund/Templeton	17.8	-1.8	3.6	3,992	-13	8.50	0.72
		Thomson Fund–Global#/Thomson	—*	-11.1	none	34	-29	5.50	*1.69*
■D	■C	United Services–Global Res/United	—*	-1.3	0.7	28	-11	none	2.26p
		United Services–World Gold[4]/United	—*	-7.0	none	65	-10	none	2.08
		USAA Investment–Cornerstone/USAA	—*	1.4	3.6	573	0	none	1.18
		Van Eck Gold/Resources Fund/Van Eck	—*	-8.2	0.7	158	-19	6.75	*1.44*
		Van Eck World Trends Fund/Van Eck	—*	-7.3	3.0	46	-18	5.75	*1.71*
		Vanguard World–Intl Growth[5]/Vanguard	—*	-11.9	2.0	825	0	none	0.77
		Vanguard World–US Growth[5]/Vanguard	—*	9.5	1.5	651	87	none	0.66
		Worldwide Value Fund/closed-end	—*	-14.6	2.1	48	-16	NA	2.40
		Yamaichi Global Fund/Yamaichi	—*	-14.4	none	59	-28	4.75	*1.58*

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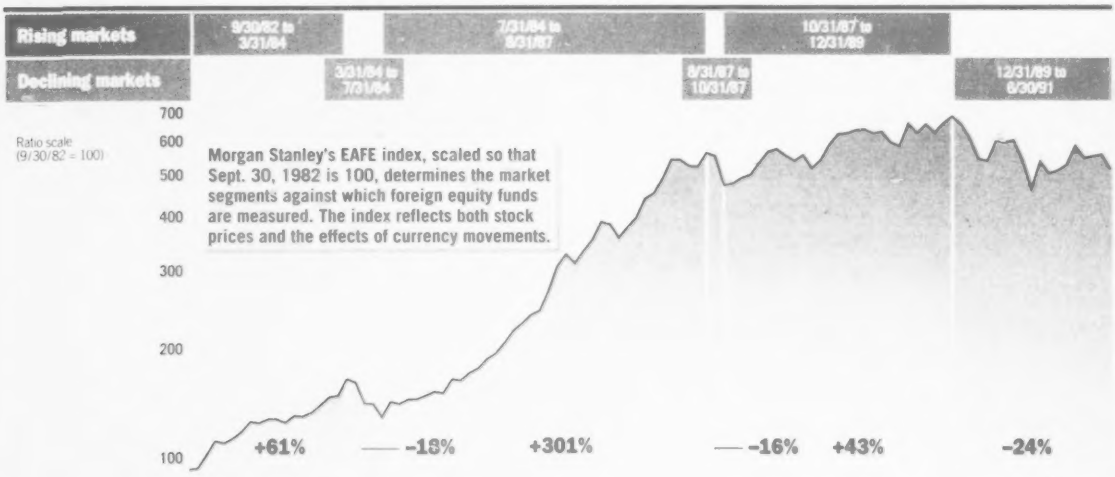
Distributor table, page 294. Rules, page 210.

Foreign stock funds

U.S.-based stock funds with predominantly foreign portfolios are in this table. The benchmark for measuring these funds is a Morgan Stanley index that tracks the performance, in U.S. dollars, of over 1,000 stocks in Europe, Australia and the Far East. This index was off 12.8% for the 12 months ended in June—reflecting not only the price movements of foreign stocks but also strength in the dollar against most foreign currencies. The T. Rowe Price International Stock Fund was the only foreign stock fund to qualify for our honor roll (page 160), which demands a good long-term return and a good down market grade. To be listed in the following table, a fund must be based in the U.S., have at least $25 million in assets and have at least a full year of performance history.



Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 9/82 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	22.1%	–12.8%	2.1%				
		Forbes foreign stock fund composite	14.9%	–8.3%	2.3%				$1.67
B	C	Alliance International Fund#/Alliance	18.6%	–19.4%	0.2%	$218	–18%	5.50%	*$1.53*
		Alliance New Europe Fund/Alliance	—*	–22.7	8.3	129	–48	5.50	*1.52*
C	D	ASA Limited/closed-end	5.4	–12.4	7.5	450	–18	NA	0.43
		Asia Pacific Fund/closed-end	—*	–9.4	0.6	118	–18	NA	1.85
		Austria Fund/closed-end	—*	–26.2	2.1	88	–29	NA	1.75
		Boston Co Inv–International/Boston Co	—*	–14.4	1.5	27	–24	none	*1.60*
		Brazil Fund/closed-end	—*	41.7	none	169	42	NA	2.25
		Chile Fund/closed-end	—*	88.7	3.9	155	78	NA	2.04
		Counsellors International Equity/Counsellors	—*	–0.4	2.9	57	71	none	1.46p
		Dean Witter European Growth/Dean Witter	—*	–14.1	0.8	289	26	5.00b	*2.41*

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. §Distributor may impose redemption fee, which proceeds revert to the fund. #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 9/82 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	22.1%	-12.8%	2.1%				
		Forbes foreign stock fund composite	14.9%	-8.3%	2.3%				$1.67
		Emerging Germany Fund/closed-end	—*	-22.2%	2.3%	$120	-24%	NA	$1.37
■C	■C	EuroPacific Growth Fund/American Funds	—*	-2.4	1.9	1,276	58	5.75%	*1.28*
		Europe Fund/closed-end	—*	-10.7	5.9	102	-16	NA	NA
		European Emerging Companies/USF&G	—*	-25.1	0.4	26	-27	5.75	*2.25p*
		Fenimore International–Equity/Burnham	—*	-3.3	none	36	-21	5.00	*2.88p*
		Fidelity Europe Fund/Fidelity	—*	-18.9	2.6	287	-36	3.00	1.36
		Fidelity Intl Growth & Income/Fidelity	—*	-5.2	3.3	37	2	2.00[1]	2.01p
		Fidelity Overseas Fund/Fidelity	—*	-15.0	2.8	911	-18	3.00	1.55
		Fidelity Pacific Basin Fund/Fidelity	—*	-12.9	1.3	100	-2	3.00	1.97
D	D	Fidelity Select–Prec Metals & Mins/Fidelity	4.9%	1.6	1.2	186	1	3.00	1.79
		Financial Series–Intl Growth/Invesco	—*	-11.2	0.2	40	-11	none	1.48p
		Financial Strategic–European/Invesco	—*	-12.5	2.5	65	-28	none	1.29
		First Australia Fund/closed-end	—*	2.8	4.5	58	-2	NA	2.14
		First Iberian Fund/closed-end	—*	-15.9	7.3	56	-25	NA	2.18
		Flag Investors International Trust/Brown	—*	-21.7	none	41	-19	4.50	*1.50p*
		France Growth Fund/closed-end	—*	-8.2	6.5	111	-13	NA	2.18
C	C	Franklin Gold Fund/Franklin	9.9	0.3	2.7	287	3	4.00	0.75
		Future Germany Fund/closed-end	—*	-23.4	1.7	160	-29	NA	1.12
		GAM International Fund/GAM	—*	-11.6	0.1	35	36	5.00	2.30
		GAM Pacific Basin Fund/GAM	—*	-1.7	3.9	26	126	5.00	3.74
		Germany Fund[2]/closed-end	—*	-22.5	1.1	132	-24	NA	1.31
		Growth Fund of Spain/closed-end	—*	-12.3	3.3	190	-16	NA	1.38
		GT Global Growth–Europe/GT Global	—*	-18.9	none	1,344	-21	4.75	*1.90*
		GT Global Growth–International/GT Global	—*	-6.4	1.3	432	24	4.75	*1.90*
		GT Global Growth–Japan/GT Global	—*	-16.8	none	71	-2	4.75	*2.25p*
B	B	GT Global Growth–Pacific/GT Global	21.6	-0.7	2.7	321	21	4.75	*2.10*
		GT Greater Europe Fund/closed-end	—*	-21.0	1.3	180	-22	NA	1.89
		Harbor International/HCA	—*	-3.3	2.0	121	96	none	1.35
		IAI International Fund/IAI Funds	—*	-7.5	1.2	32	-2	none	*1.73*
		IDS International Fund/IDS	—*	-11.6	1.9	220	-8	5.00	*1.36*
		IDS Precious Metals Fund/IDS	—*	-3.5	2.2	72	-12	5.00	*1.48*
		IDS Strategy–Worldwide Growth[3]/IDS	—*	-16.7	none	39	-18	5.00b	*2.47*
		Indonesia Fund/closed-end	—*	-31.1	0.4	45	-36	NA	2.15
		International Equity[4]/Federated	—*	-12.1	1.5	87	10	4.50	1.32p
		Irish Investment Fund/closed-end	—*	-17.4	3.7	45	-20	NA	1.70
		Italy Fund/closed-end	—*	-21.0	5.3	72	-28	NA	1.70
		Ivy International Fund/Ivy	—*	-9.1	2.7	78	-3	none	1.66
		Jakarta Growth Fund/closed-end	—*	-24.8	3.4	40	-27	NA	1.83
B	A	Japan Fund/Scudder	23.0	-6.6	1.7	351	-8	none	1.23
		Japan OTC Equity/closed-end	—*	7.1	1.9	107	-1	NA	1.43
C	B	Kemper International Fund/Kemper	18.6	-6.8	1.3	190	-12	5.75	1.31

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. §Distributor may impose redemption fee, which proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Sales charge waived until 12/91. [2]Fund performance adjusted for secondary offering. [3]Formerly IDS Strategy–Pan Pacific Growth. [4]Formerly FT International.

Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 9/82 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Morgan Stanley Capital Intl EAFE index	22.1%	-12.8%	2.1%				
		Forbes foreign stock fund composite	14.9%	-8.3%	2.3%				$1.67
C	C	Keystone International Fund/Keystone	11.9%	-11.2%	none	$71	-26%	4.00b%	*$3.25*
D	D	Keystone Precious Metals/Keystone	5.0	0.8	0.8%	152	-10	4.00b	*2.76*
C	C	Kleinwort Benson Intl Equity/Kleinwort	-6.1	-9.1	1.0	75	-19	none	*1.78*
		Korea Fund[1]/closed-end	—*	-14.2	none	228	-25	NA	1.47
		Malaysia Fund/closed-end	—*	5.2	1.4	107	3	NA	1.93
		Merrill Lynch EuroFund#/ML Funds	—*	-9.3	2.4	556	-9	6.50	1.15
A	C	Merrill Lynch Pacific Fund#/ML Funds	27.0	13.3	4.6	372	14	6.50	1.07
A	A+	Mexico Fund[1]/closed-end	43.0	59.8	1.5	464	56	NA	1.45
		New Germany Fund/closed-end	—*	-21.1	1.8	317	-26	NA	0.98
		Nomura Pacific Basin Fund/Nomura	—*	2.5	3.8	55	-9	none	1.42
■C	C	Oppenheimer Gold & Spec Mins/Oppenheimer	—*	-10.7	0.4	150	-8	8.50	1.40
		Pacific-European Growth Fund/closed-end	—*	-8.2	2.0	35	-9	NA	1.77
		PaineWebber Europe Growth Fund[2]/PaineWebber	—*	-17.7	1.4	141	-11	4.50	*1.79*
		Portugal Fund/closed-end	—*	-24.8	1.1	54	-26	NA	2.04
		T Rowe Price Intl Discovery/Price	—*	-12.8	1.2	172	5	none	1.50p
		T Rowe Price Intl European Stock/Price	—*	-15.0	2.2	91	-4	none	1.75p
B	B	T Rowe Price Intl Stock/Price	20.4	-9.1	1.7	1,291	11	none	1.12
		Rodney Square Intl Equity/Rodney Sq	—*	-13.4	1.2	54	-25	5.75	*1.75p*
C	B	Scudder International Fund/Scudder	20.4	-11.1	1.7	899	-4	none	1.17
		Scudder New Asia Fund/closed-end	—*	-3.7	0.5	111	-16	NA	1.77
		Scudder New Europe Fund/closed-end	—*	-13.0	2.5	160	-18	NA	1.89
		Shearson Equity–International/Shearson	—*	-7.2	0.1	41	-30	5.00b	*2.60*
		Spain Fund/closed-end	—*	-17.8	2.4	111	-27	NA	2.22
D	F	Strategic Investments Fund/Strategic	-6.2	-0.2	3.5	32	-9	8.50	1.98
		Swiss Helvetia Fund/closed-end	—*	-14.7	0.4	101	-15	NA	1.77
		Taiwan Fund[1]/closed-end	—*	25.1	none	141	89	NA	2.34
■B	A	Templeton Foreign Fund/Templeton	—*	-5.1	3.5	1,119	27	8.50	0.82
		Thai Fund/closed-end	—*	-19.7	1.3	158	-29	NA	1.35
		Turkish Investment Fund/closed-end	—*	-50.8	none	53	-51	NA	2.00
		United Gold & Government Fund/Waddell	—*	-0.2	1.7	52	-17	8.50	1.65
C	A	United International Growth/Waddell	15.6	-10.4	2.0	259	-11	8.50	1.20
		United Kingdom Fund/closed-end	—*	-6.1	2.2	41	-13	NA	2.19
D	D	United Services–Gold Shares/United	0.9	-3.8	2.8	295	0	none	1.50
		USAA Investment–Gold Fund/USAA	—*	-6.6	0.9	134	-6	none	1.46
		USAA Investment–International/USAA	—*	-10.6	0.6	26	11	none	1.81
		UST Master Funds–International/UST Secs	—*	-10.7	1.7	36	40	4.50	1.61
C	D	Van Eck International Investors/Van Eck	8.4	1.4	1.9	658	-6	8.50	0.97
		Vanguard Intl Index–Europe/Vanguard	—*	-12.4	1.8	132	172	none	0.40
		Vanguard Intl Index–Pacific/Vanguard	—*	-9.8	0.6	67	354	none	0.35
■D	■C	Vanguard Special–Gold & Prec/Vanguard	—*	2.6	3.3	175	9	none§	0.42
■A	B	Vanguard Trustees Comm–Intl/Vanguard	—*	-14.5	3.7	843	3	none	0.44

■ Fund rated for two periods only; maximum allowable grade A. *Fund not in operation for full period. §Distributor may impose redemption fee, which proceeds revert to the fund. #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Fund performance adjusted for secondary offering. [2]As of 7/1/91 two classes of shares available, one with front-end load, the other with exit fee and 12b-1.

Distributor table, page 294. Rules, page 210.

Global bond funds

Funds that buy bonds from foreign governments and bonds and commercial paper from overseas corporations are listed here; many of the funds, especially those with "global" in the name, also buy U.S. paper. Such funds are a fairly new investment tool for U.S. investors, so new, in fact, that only one, MFS Worldwide Governments, has enough history to show a long-term return. On average, global bond funds delivered a 9.9% total return over the last 12 months. In the 1990 survey they averaged a one-year total return of 13.6%. These funds are a bet on two things: a decline in interest rates abroad and a decline in the value of the dollar. Over the past year the dollar was fairly strong against most foreign currencies. As a result, these funds didn't perform as well as they did a year earlier.

	Total return: Annual average 5/82 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 (millions)	Assets: % change '91 vs '90	Maximum sales charge	Annual expenses per $100
Forbes global bond fund composite		**9.9%**	**10.6%**				**$1.42**
ACM Managed Multi-Market Trust/closed-end	—*	12.1%	13.8%	$111	–2%	NA	$2.90
Alliance Short-Term Multi-Market#/Alliance	—*	10.5	10.5	5,202	448	3.00%	*1.18*
Capital World Bond Fund/American Funds	—*	12.4	7.5	60	63	4.75	*1.52*
Dean Witter World Wide Income/Dean Witter	—*	4.1	12.7	434	1	5.00b	*1.76*
Fidelity Global Bond Fund/Fidelity	—*	12.2	8.9	130	61	none	1.43
First Australia Prime Income/closed-end	—*	20.1	12.0	886	6	NA	1.54
Franklin Global Opportunity Inc/Franklin	—*	8.2	12.2	43	134	4.00	0.25p
Freedom Inv II–Global Income/Freedom	—*	10.4	9.3	181	–5	3.00b	*1.90*
Global Government Plus/closed-end	—*	8.0	6.7	346	–7	NA	1.09
Global Income Plus Fund/closed-end	—*	8.6	12.7	232	–3	NA	1.21
Global Yield Fund/closed-end	—*	6.7	10.3	554	–6	NA	1.03
GT Investment–Global Bond/GT Global	—*	7.6	9.9	47	18	4.75	*1.82*
IDS Global Bond Fund/IDS	—*	8.2	9.9	46	132	5.00	*1.73p*
Intl Currency–Global[1]/Huntington	—*	8.2	7.5	68	–10	2.25	*1.82*
Intl Currency–Hard Currency/Huntington	—*	3.3	7.4	31	13	2.25	*1.66*
Intl Currency–High Income/Huntington	—*	6.7	10.5	54	223	2.25	*1.59*
Kleinwort Benson Australian Inc/closed-end	—*	17.7	9.3	70	7	NA	1.68
Merrill Lynch Global Bond Inv & Ret[2]#/ML Funds	—*	10.1	13.3	302	9	4.00	1.06
MFS Worldwide Governments[3]/Mass Finl	13.7%	8.4	8.2	172	41	4.75	*1.44*
PaineWebber Global Income Fund[4]/PaineWebber	—*	10.8	12.9	1,470	33	5.00b	*1.86*
T Rowe Price International Bond/Price	—*	9.7	8.9	286	–7	none	1.15
Putnam Global Governmental Income/Putnam	—*	14.0	8.1	287	46	4.75	*1.65*
Putnam Master Income Trust/closed-end	—*	12.3	10.0	446	–2	NA	1.08
Putnam Premier Income Trust/closed-end	—*	9.4	10.0	1,099	–4	NA	1.02
Scudder International Bond/Scudder	—*	14.9	9.8	144	96	none	1.35p
Shearson Income–Global Bond/Shearson	—*	9.0	16.5	49	–20	5.00b	*2.00*
Shearson S-T World Income/Shearson	—*	6.1	10.8	492	NM	3.00	*1.25p*
Templeton Global Govt Income/closed-end	—*	4.2	10.6	178	–4	NA	1.09
Templeton Global Income Fund[5]/closed-end	—*	11.7	10.7	966	0	NA	0.82
Van Eck World Income Fund/Van Eck	—*	9.7	10.2	91	114	4.75	*1.61*
World Income Fund/closed-end	—*	10.6	16.0	285	–4	NA	0.87

*Fund not in operation for full period. #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. NM: Not meaningful. [1]Invests in foreign money market instruments. [2]Formerly Merrill Lynch Retirement Global Bond. [3]Formerly Mass Financial International-Bond. [4]As of 7/1/91 two classes of shares available, one with front-end load, the other with exit fee and 12b-1. [5]Fund performance adjusted for secondary offering.

Distributor table, page 294. Rules, page 210.

Hot funds

Pay attention to these funds. They're either popping up as hot performers over the past year or gaining assets rapidly—or both. Neither kind of gain, of course, is a good reason in itself to buy a fund. Rather, these lists give you a quick look at the fads and trends that will be affecting the pitches you hear for funds. Health care stocks, for instance, have done well recently, and as a result a lot of buyers are crowding into health sector funds. Should you join the rush? Not before taking a long look at the stocks these funds own, and their sometimes steep price/earnings ratios. The Chile, Mexico and Brazil funds have also been sizzling of late.

The standout seller in fixed-income investing is Alliance Short-Term Multi-Market, which picked up $4.3 billion of assets in 12 months. "People were rolling over CDs and seeing numbers that they hadn't seen in several years," says Robert Sinche, the Alliance Fund's portfolio manager. They see the yields offered by Sinche's portfolio of mostly overseas bonds and buy. Sinche, reminding buyers that his fund is chancier than an insured certificate of deposit, nonetheless says he limits currency risk with hedges. Unfortunately, there is no way to get a 10.5% return without taking some kind of risk—with currencies, interest rates or credit quality.

Fund/distributor	Type	Assets 6/30/91 ($mil)	Assets change vs 6/30/90 ($mil)	Assets change vs 6/30/90 %	12-month total return	Manager (years)
Big performers						
Chile Fund/closed-end	foreign stock	$155	$68	78%	88.7%	Emilio Bassini (1)
Mexico Fund/closed-end	foreign stock	464	167	56	59.8	Jose Luis Gomez Pimienta (10)
Fidelity Select–Biotechnology/Fidelity	US stock	483	326	208	49.9	Michael Gordon (1)
Fidelity Select–Health Care/Fidelity	US stock	639	347	119	45.0	Andrew Offit (1)
Fidelity Select–Medical Delivery/Fidelity	US stock	119	75	166	43.3	Charles Mangum
Brazil Fund/closed-end	foreign stock	169	50	42	41.7	Edmund B Games Jr (3)
Financial Strategic–Health Sci/Invesco	US stock	360	272	309	41.5	John Kaweske (6)
Oppenheimer Global Bio-Tech/Oppenheimer	global stock	68	55	441	31.7	Kenneth Oberman (3)
H&Q Healthcare Investors/closed-end	US stock	87	16	23	31.4	Alan G Carr (4)
20th Century Ultra Investors/20th Century	US stock	1,147	749	189	30.1	Multiple managers[1] (8)
Bergstrom Capital/closed-end	US stock	89	16	22	29.2	Erik E Bergstrom (14)
Phoenix Multi–Capital Apprec/Phoenix	US stock	65	54	480	27.5	Robert Chesek (1)
Taiwan Fund/closed-end	foreign stock	141	66	89	25.1	Danny Chan (5)
Vanguard Special–Health Care/Vanguard	US stock	349	215	160	24.1	Edward Owens (7)
United New Concepts Fund/Waddell	US stock	86	20	31	23.7	Mark Seferovich (2)
Fast growers						
Alliance Short-Term Multi-Market/Alliance	global bond	$5,202	$4,253	448%	10.5%[2]	Robert Sinche (2)
Franklin Adj US Govt Securities/Franklin	US bond	2,360	2,044	646	9.3	Jack Lemein (3)
Investment Co of America/American Funds	US stock	7,643	1,769	30	8.3	Multiple managers[1] (8)
Washington Mutual Investors/American Funds	US stock	6,792	1,443	27	8.5	Multiple managers[1] (8)
Vanguard Fixed Income–GNMA/Vanguard	US bond	3,564	1,246	54	11.6	Paul Sullivan (11)
Fidelity Magellan Fund/Fidelity	US stock	15,252	1,213	9	9.7	Morris Smith (1)
Aim Equity–Weingarten Fund/AIM	US stock	1,663	979	143	10.3	Multiple managers[1] (7)
Franklin Calif Tax-Free Income/Franklin	municipal bond	11,775	856	8	7.2	Bernie Schroer (4)
20th Century Ultra Investors/20th Century	US stock	1,147	749	189	30.1	Multiple managers[1] (8)
Janus Fund/Janus	US stock	1,960	714	57	7.4	James P Craig III (6)

[1]Average tenure of managers, with ten years maximum credit for each. [2]Fund has two classes of shares. Performance is for A shares; assets are for entire fund.

Taxable bond funds

To make the list below, a fund must have at least $100 million in assets and at least a full year of performance history. To be graded, a fund must have five years of results. Our benchmark for the grading system is the Merrill Lynch corporate/government bond index. Each month in the period is pegged as bearish or bullish, according to the price of the Merrill Lynch index. For each rated fund a composite bull market performance (incorporating both price and interest return) is calculated and funds are awarded grades on a curve. The same exercise is done to score bear market performance. Junk bond funds are graded with a slightly different formula; see page 278. Municipal bond funds are graded in a table beginning on page 280. Global bond funds are on page 264.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/86 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	8.3%	10.4%	8.6%				
		Forbes taxable bond fund composite	7.8%	9.9%	9.1%				$1.05
		AAL Income Fund/AAL	—*	10.3%	7.9%	$146	42%	4.75%	*$1.00p*
D	A	AARP Inc–GNMA & US Treas/Scudder	8.4%	10.6	8.3	2,942	15	none	0.79
C	C	AARP Inc–High Quality Bond/Scudder	7.6	9.0	7.5	174	19	none	1.14p
		ACM Government Income Fund/closed-end	—*	11.5	12.7	473	–1	NA	1.37
		ACM Government Opportunity/closed-end	—*	11.9	11.9	104	1	NA	1.24
		ACM Government Securities/closed-end	—*	11.3	12.9	657	–1	NA	1.32
		ACM Government Spectrum/closed-end	—*	11.0	11.9	267	–1	NA	1.42
		ACM Managed Income Fund/closed-end	—*	11.2	12.4	157	–38	NA	1.10
D	C	Advantage Government Securities/Advest	5.5	10.9	8.0	104	–8	4.00b	*1.43p*
		Aim Limited Maturity Treasury Shs/AIM	—*	9.2	7.3	124	67	1.75	*0.54p*

*Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* §Distributor may impose redemption fee, which proceeds revert to the fund. b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/86 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	8.3%	10.4%	8.6%				
		Forbes taxable bond fund composite	7.8%	9.9%	9.1%				$1.05
D	B	Alliance Bond–US Government/Alliance	7.8%	9.0%	10.4%	$491	-4%	4.75%	*$1.11*
C	B	Alliance Mortgage Secs Income/Alliance	9.2	12.9	9.9	495	-3	4.75	*1.12*
		Allstate Prime Income Trust[1]/closed-end	—*	9.4	9.0	471	105	NA	1.48
		American Adj Rate Term–1995/closed-end	—*	10.0	9.3	107	0	NA	0.65
C	D	American Capital Bond Fund/closed-end	5.7	9.6	9.5	204	0	NA	0.71
D	B	American Capital Corp Bond/American Cap	7.7	10.7	9.3	185	-9	4.75	*0.94*
B	D	American Capital Govt Secs/American Cap	7.5	11.9	8.8	3,732	-9	4.75	*0.93*
		American Capital Income Trust/closed-end	—*	9.2	12.5	110	-4	NA	1.00
		American Government Income/closed-end	—*	16.6	11.4	148	5	NA	0.99
		American Government Income Port/closed-end	—*	16.9	11.1	217	6	NA	0.99
		American Opportunity Income/closed-end	—*	13.6	11.2	195	2	NA	1.06
C	B	AMEV Securities/closed-end	8.5	14.7	10.9	112	5	NA	0.90
C	B	AMEV US Govt Securities Fund/AMEV	8.7	10.8	9.4	352	127	4.50	0.81
B	C	Babson Bond–Portfolio L/Jones & Babson	7.9	9.0	8.6	102	21	none	0.97
D	B	Bartlett Capital–Fixed Income/Bartlett	7.9	8.5	7.4	148	-6	none	1.00
B	B	Benham GNMA Income/Benham	9.5	11.4	8.6	495	61	none	0.72
A+	F	Benham Target Maturities–2005/Benham	14.1	11.6	3.9	121	220	none	0.70p
		Benham Target Maturities–2015/Benham	—*	7.9	5.4	230	-28	none	0.62
C	D	Benham Treasury Note Fund/Benham	6.8	10.0	7.3	194	87	none	0.73
		Bernstein Govt Short Duration/Bernstein	—*	9.3	7.1	205	19	none	0.70
		Bernstein Intermed Duration/Bernstein	—*	10.3	7.9	331	35	none	0.68
		Bernstein Short Duration +/Bernstein	—*	10.0	7.6	413	6	none	0.67
		Blackstone Income Trust/closed-end	—*	18.0	12.1	534	5	NA	1.10
		Blackstone Target Term Trust/closed-end	—*	13.8	10.0	907	3	NA	0.92
C	C	Bond Fund of America/American Funds	7.8	9.2	9.5	2,291	33	4.75	*0.76*
D	A	Cardinal Government Obligations[2]/Cardinal	8.9	11.7	9.2	122	5	4.50	0.74
A	D	Cigna Income Fund/Cigna	7.3	7.8	8.4	218	-2	5.00	*1.00*
A	D	Colonial Government Secs Plus/Colonial	7.5	8.9	8.4	2,032	-14	4.75	*1.16*
D	B	Colonial Income Trust/Colonial	7.3	9.8	9.9	143	-6	4.75	*1.23*
		Colonial InterMarket Income I/closed-end	—*	9.8	11.7	119	-2	NA	1.11
		Colonial US Government Trust/Colonial	—*	10.4	10.1	311	273	4.75	*1.25p*
A	C	Columbia Fixed Income Secs/Columbia	8.7	10.2	7.9	164	38	none	0.68
		Common Sense–Government/Common Sense	—*	10.0	8.4	165	28	6.75	1.06
C	B	Composite US Govt Securities/Murphey	8.3	11.1	8.1	101	20	4.00	*1.03*
		Comstock Partners Strategy Fund/closed-end	—*	10.0	9.6	1,200	0	NA	0.93
		Dean Witter Government Income/closed-end	—*	11.4	8.2	550	3	NA	0.75
		Dean Witter Govt Secs Plus/Dean Witter	—*	9.1	7.9	1,265	-17	5.00b	*1.50*
		Dean Witter Intermed Income/Dean Witter	—*	7.1	8.6	113	-3	5.00b	*1.75*
D	A	Dean Witter US Govt Securities/Dean Witter	7.8	8.8	9.7	10,534	7	5.00b	*1.23*

*Fund not in operation for full period. †Closed to new investors. §Distributor may impose redemption fee, which proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Closed-end fund that acts like a money market. [2]Formerly Cardinal Government Guaranteed Fund.

Distributor table, page 294. Rules, page 210.

TAXABLE BOND FUNDS

FUND SURVEY

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/86 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	8.3%	10.4%	8.6%				
		Forbes taxable bond fund composite	7.8%	9.9%	9.1%				$1.05
D	A	Delaware Group Govt–Govt Inc II/Delaware	8.1%	10.5%	8.7%	$159	7%	6.75%	$1.10
A	D	Dreyfus A Bonds Plus/Dreyfus	7.6	8.8	8.4	368	15	none	0.85
C	B	Dreyfus GNMA Fund/Dreyfus	8.2	10.7	8.7	1,617	6	none	*0.97*
		Dreyfus Strategic Govt Income/closed-end	—*	9.9	10.0	158	0	NA	0.85
C	A	Eaton Vance Government Oblig/Eaton Vance	8.7	10.5	9.8	284	0	4.75	*1.22*
		Eaton Vance Prime Rate Res[1]/Eaton Vance	—*	8.8	8.9	1,937	12	3.00b	1.43
B	B	Federated GNMA Trust/Federated	9.7	11.6	8.8	1,288	–3	none	0.52
D	A	Federated Income Trust/Federated	9.1	11.1	8.9	987	1	none	0.50
D	A	Federated Intermediate Govt/Federated	7.9	10.5	7.5	740	–17	none	0.51
D	A+	Federated Short-Intermed Govt/Federated	7.7	9.6	7.4	1,220	–18	none	0.48
C	C	Fidelity Flexible Bond/Fidelity	7.5	9.9	8.8	456	17	none	0.67
B	B	Fidelity Ginnie Mae/Fidelity	8.8	11.5	8.1	776	22	none	0.80
C	C	Fidelity Government Securities/Fidelity	7.6	10.4	8.7	462	–5	none	0.66
D	B	Fidelity Intermediate Bond Fund/Fidelity	7.4	9.1	7.9	908	30	none	0.66
C	B	Fidelity Mortgage Securities/Fidelity	8.8	11.4	8.2	405	5	none	0.82
		Fidelity Short-Term Bond/Fidelity	—*	8.4	8.9	259	27	none	0.83
		First Boston Income Fund/closed-end	—*	13.8	11.2	193	1	NA	0.89
A	D	First Investors Government Fund/First Inv	7.9	9.2	7.6	308	33	6.90	*1.28p*
B	C	First Trust Fund–US Govt/Brown & Assoc	9.3	11.1	8.5	174	–20	4.50	*0.94*
		Flag Inv Total Return US Treas[2]/Brown	—*	7.8	8.5	373	16	4.50	*0.88*
A+	D	Fort Dearborn Income Securities/closed-end	8.6	9.3	9.1	104	1	NA	0.80
		Franklin Adj US Govt Securities/Franklin	—*	9.3	9.2	2,360	646	4.00	*0.30p*
		Franklin Principal Maturity Trust/closed-end	—*	9.7	10.8	163	–1	NA	0.98
C	A	Franklin US Government Securities/Franklin	9.5	12.2	9.5	11,810	5	4.00	0.52
		Franklin Universal Trust/closed-end	—*	5.8	14.7	188	–9	NA	1.19
A	D	Freedom Inv–Govt Income/Freedom	8.2	9.6	8.9	145	7	3.00b	*1.51*
D	A	Fund for US Govt Securities/Federated	9.2	10.8	9.2	1,181	13	4.50	0.95
		GNA Investors–US Govt Secs/GNA	—	9.9*	8.4	116	72	5.00b	*1.82*
C	A	Government Income Securities/Federated	9.0	11.0	9.5	1,402	9	1.75b	0.90
		Gradison Government Income/Gradison	—*	10.0	7.7	109	88	2.00	*1.08*
		GT Investment–Global Govt Income/GT Global	—*	9.1	11.3	352	75	4.75	*1.50*
		GW Sierra–US Govt Securities/Gt Western	—*	10.5	9.0	167	431	4.50	*1.10p*
B	C	John Hancock Bond Fund/Hancock	8.3	9.9	9.0	1,148	3	4.50	*1.31*
B	C	John Hancock Govt Spectrum[3]/Hancock	8.7	10.4	8.0	348	11	4.50	*1.41*
B	C	John Hancock Income Securities/closed-end	8.6	10.3	9.6	150	2	NA	0.69
B	C	John Hancock Investors Trust/closed-end	8.3	10.0	9.7	145	1	NA	0.71
D	C	John Hancock US Govt Securities/Hancock	6.5	8.1	8.5	187	5	4.50	*1.53*
		Helmsman–Income Fund/SEI	—*	9.2	7.6	197	242	none	*0.40p*
B	C	Home Investors Govt Income/SunAmerica	8.2	10.6	7.5	125	–8	5.00b	*1.93*

*Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. §Distributor may impose redemption fee, which proceeds revert to the fund. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Closed-end fund that acts like a money market. [2]Assets include sister fund ISI Total Return. [3]Formerly John Hancock US Government Guaranteed Mortgage.

Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/86 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	8.3%	10.4%	8.6%				
		Forbes taxable bond fund composite	7.8%	9.9%	9.1%				$1.05
		Hyperion Total Return Fund/closed-end	—*	14.1%	10.8%	$272	1%	NA	$1.10
A	D	IAI Bond Fund/IAI Funds	7.7%	9.0	7.9	114	28	none	*0.88*
B	D	IDS Bond Fund/IDS	7.7	12.2	8.5	1,835	3	5.00%	0.77
D	A	IDS Federal Income Fund/IDS	8.6	10.8	8.0	397	69	5.00	0.81
B	D	IDS Selective Fund/IDS	8.1	10.5	8.1	1,305	9	5.00	0.76
B	D	IDS Strategy–Income/IDS	6.8	9.4	7.7	269	11	5.00b	*1.67*
C	B	InterCapital Income Securities/closed-end	8.2	10.1	10.5	213	2	NA	0.75
		Intermediate Bond Fund of Amer/American Funds	—*	9.2	8.9	332	146	4.75	*1.00*
		ITB–Premium Income/TNE	—*	9.5	7.9	144	474	2.50	*1.25p*
		ISI Total Return US Treas[1]/ISI	—*	7.8	8.5	373	16	4.45	*0.88*
C	B	Kemper Inc & Cap Preservation/Kemper	7.8	9.8	9.7	414	0	4.50	0.80
		Kemper Intermediate Govt/closed-end	—*	10.5	10.2	290	1	NA	0.95
D	D	Kemper Invest–Diversified Inc/Kemper	4.2	8.2	13.1	234	–16	3.00b	*2.28*
C	D	Kemper Invest–Government/Kemper	6.5	9.3	9.0	4,837	–7	3.00b	*2.01*
		Kemper Multi-Market Income/closed-end	—*	13.2	13.9	191	–3	NA	1.00
		Kemper Retirement Fund I/Kemper	—*	12.0	2.4	109	41	†	1.09
B	C	Kemper US Government Secs/Kemper	8.4	11.7	9.4	4,949	8	4.50	0.53
C	D	Keystone Custodian B-1/Keystone	6.1	8.4	7.7	433	–5	4.00b	*2.06*
D	D	Keystone Custodian B-2/Keystone	4.6	4.4	11.3	791	–14	4.00b	*1.95*
		Legg Mason Inc–US Govt Intermed/Legg Mason	—*	9.6	7.0	130	141	none	*0.80p*
A	D	Lexington GNMA Income Fund/Lexington	8.9	10.0	8.3	103	6	none	1.04
		Liberty Advantage US Govt Secs/Liberty	—*	11.4	9.0	437	44	4.50	0.90p
A	D	Lord Abbett US Govt Secs/Lord Abbett	8.5	10.3	10.2	1,853	34	4.75	*0.89*
B	C	Lutheran Brotherhood Income/Lutheran	8.6	10.0	8.9	751	2	5.00	1.02
C	C	MainStay–Government Plus/NYLife	7.4	9.1	9.6	582	23	5.00b	*1.79*
B	C	Mass Financial Bond Fund/Mass Finl	7.8	9.6	8.9	315	2	7.25	*0.79*
F	A+	MassMutual Corporate Investors/closed-end	8.6	10.3	9.2	124	0	NA	1.50
B	C	Merrill Lynch Corp–High Qual#/ML Funds	8.0	9.6	8.3	491	0	4.00	0.62
C	B	Merrill Lynch Federal Securities/ML Funds	8.8	11.2	8.6	2,214	–9	4.00	*0.78*
D	B	Merrill Lynch Retire/Income/ML Funds	8.0	10.3	8.0	1,606	–2	4.00b	*1.41*
		MetLife-State Street Govt Income/MetLife	—*	9.9	8.0	801	–19	none	*1.05*
		MFS Charter Income/closed-end	—*	13.7	11.7	889	–5	NA	1.08p
B	D	MFS Government Income Plus/Mass Finl	5.8	6.8	6.8	935	–23	4.75	*1.40*
		MFS Government Markets Income/closed-end	—*	7.0	8.4	773	–6	NA	1.05p
		MFS Govt Premium Account/Mass Finl	—*	7.5	6.0	410	4	3.75	*1.40*
D	C	MFS Government Securities/Mass Finl	7.2	8.8	8.4	323	–1	4.75	*1.28*
		MFS Intermediate Income/closed-end	—*	8.6	7.9	1,616	–6	NA	1.02
		MFS Lifetime Govt Income +/Mass Finl	—*	7.6	6.2	2,913	–15	6.00b	*2.92p*
		MFS Lifetime Intermediate Inc/Mass Finl	—*	7.8	6.5	150	56	6.00b	*2.33*

*Fund not in operation for full period. †Closed to new investors. #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Assets include sister fund Flag Investors Total Return. Formerly CJ Lawrence Total Return US Treasury.

Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/86 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	8.3%	10.4%	8.6%				
		Forbes taxable bond fund composite	7.8%	9.9%	9.1%				$1.05
		MFS Multimarket Income Trust/closed-end	—*	12.0%	9.5%	$946	-5%	NA	$1.13p
		MFS Multimarket Total Return/closed-end	—*	13.3	10.7	134	0	NA	1.45
D	A	Montgomery Street Income Secs/closed-end	8.7%	12.2	9.7	149	4	NA	0.68
A	F	National Federal Securities/National Secs	5.3	8.9	8.9	356	-17	4.75%	0.91
D	A	N & B Limited Maturity/N & B	7.7	8.9	7.4	143	22	none	0.65p
		New America High Income Fund/closed-end	—*	-10.1	16.3	170	-26	NA	1.72
A	F	New England Government Secs/TNE	5.6	5.3	8.4	168	-6	4.50	*1.21*
F	A	Northeast Investors Trust/Northeast Inv	4.4	5.1	16.4	275	-8	none	0.92
		Oppenheimer Multi-Sector Income/closed-end	—*	10.4	10.3	290	-1	NA	1.08
		Oppenheimer Strategic Income/Oppenheimer	—*	10.8	12.3	385	196	4.75	*1.40*
D	B	Oppenheimer US Government/Oppenheimer	7.5	9.6	9.1	342	29	4.75	*1.30*
C	B	Pacific American Income Shares/closed-end	8.7	11.3	9.6	101	1	NA	0.90
B	C	PaineWebber Fixed Inc–Inv Gr[1]/PaineWebber	7.6	10.8	8.2	218	-10	4.00	*0.91*
B	C	PaineWebber Fixed Inc–US Govt[1,2]/PaineWebber	8.2	10.4	7.5	753	-11	4.00	*0.91*
B	D	PaineWebber Income Fund/PaineWebber	6.5	11.5	7.7	147	-15	5.00b	*1.99*
		Parkstone Bond/Winsbury	—*	8.8	7.7	432	37	4.50	0.86p
		Parkstone Intermed Govt Oblig/Winsbury	—*	9.3	7.5	143	43	4.50	0.91p
		Permanent Port–Treasury Bill/Permanent	—*	6.3	0.7	279	125	none	*0.83p*
D	B	Pilgrim GNMA Fund/Pilgrim	7.7	9.1	9.1	111	-9	4.75	*1.19*
		Pilgrim Prime Rate Trust[3]/closed-end	—*	9.2	9.1	1,054	-7	NA	1.38
F	C	Pilgrim S-T Multi-Market Inc/Pilgrim	-5.0	7.5	11.0	172	467	3.50	*1.65*
C	B	T Rowe Price GNMA Fund/Price	8.4	11.2	8.6	528	31	none	0.85
C	C	T Rowe Price New Income Fund/Price	7.8	10.3	8.1	1,149	14	none	0.88
F	A+	T Rowe Price Short-Term Bond/Price	7.1	8.2	7.5	217	4	none	0.93
C	C	Prudential GNMA Fund#/Prudential	7.1	8.6	8.9	243	10	4.50	*1.15*
B	D	Prudential Government Plus#/Prudential	7.0	8.8	7.7	2,942	-18	4.50	*0.79*
D	B	Prudential Govt Secs–Intermed/Prudential	6.9	8.8	8.8	290	-15	none	*0.88*
		Prudential Intermediate Income/closed-end	—*	7.4	9.9	425	-2	NA	1.04
		Prudential Strategic Income#/Prudential	—*	3.9	11.2	292	-44	4.50	*1.39*
		Prudential Structured Mat#/Prudential	—*	10.3	8.3	113	6	3.25	*0.22p*
		Prudential US Government#/Prudential	—*	5.6	7.5	161	-10	4.50	*1.14*
		Putnam Diversified Income Trust/Putnam	—*	12.4	9.6	153	21	4.75	*1.59*
B	D	Putnam Federal Income/Putnam	6.9	9.3	8.3	738	-15	4.75	*1.14*
A	D	Putnam High Income Government/Putnam	6.7	10.0	7.9	5,172	-23	6.75	*0.95*
B	C	Putnam Income Fund/Putnam	8.2	10.7	10.0	471	9	4.75	*1.05*
		Putnam Intermediate Govt Inc/closed-end	—*	10.2	8.6	559	0	NA	1.02
		Putnam Master Intermediate Inc/closed-end	—*	11.2	10.0	307	-3	NA	1.04
D	A	Putnam US Govt Income[4]/Putnam	9.1	10.5	9.6	2,063	35	4.75	*1.07*
		RAC Income Fund/closed-end	—*	12.8	11.3	114	2	NA	1.23

*Fund not in operation for full period. †Closed to new investors. #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]As of 7/1/91 two classes of shares available, one with front-end load, the other with exit fee and 12b-1. [2]Formerly PaineWebber Fixed Income–GNMA. [3]Closed-end fund that acts like a money market. [4]Formerly Putnam US Government Guaranteed Securities.

Distributor table, page 294. Rules, page 210.

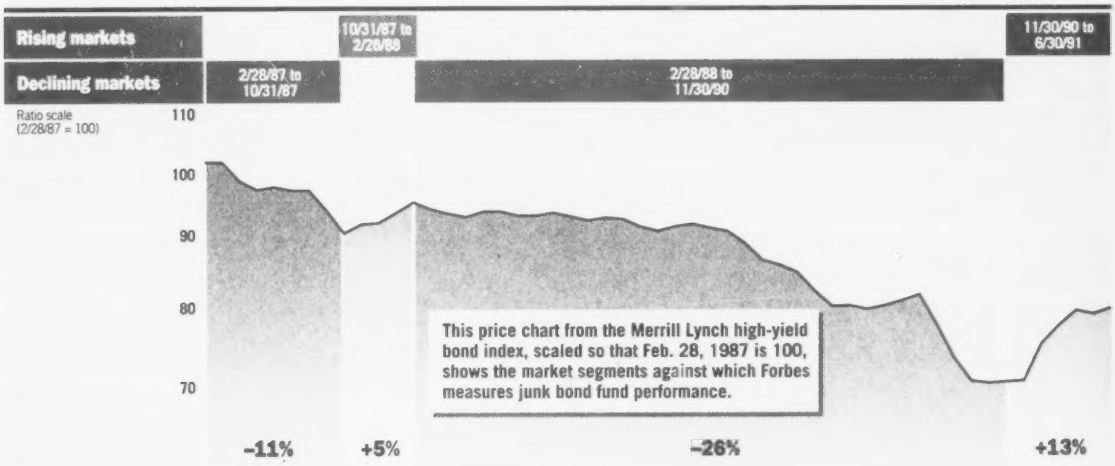
Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/86 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Merrill Lynch corporate/govt bond index	8.3%	10.4%	8.6%				
		Forbes taxable bond fund composite	7.8%	9.9%	9.1%				$1.05
		Salem Funds–Fixed Income[1]/Federated	—*	12.5%	6.9%	$170	NM	4.00%	*$0.84p*
C	B	Scudder GNMA Fund/Scudder	8.6%	11.2	8.3	276	10%	none	1.04
B	C	Scudder Income Fund/Scudder	8.3	10.3	8.2	326	18	none	1.03
C	B	Scudder Short Term Bond Fund/Scudder	8.7	12.6	9.2	733	289	none	0.41p
		Shearson Income–Divers Strategic/Shearson	—*	11.0	10.2	435	167	5.00b	*0.85p*
		Shearson Income–Mortgage/Shearson	—*	10.8	8.2	541	–16	5.00b	*1.62*
B	D	Shearson Invest–Govt Secs/Shearson	6.1	8.2	8.1	1,329	–21	5.00b	*1.48*
A+	F	Shearson Invest–Inv Grade Bond/Shearson	6.9	9.0	8.2	390	–12	5.00b	*1.57*
C	B	Shearson Managed Governments/Shearson	7.7	8.9	9.1	470	–9	5.00	0.83
A	C	Smith Barney–US Government/Smith Barney	9.5	11.3	8.9	353	5	4.00	0.42
		Spartan Government Income[2]/Fidelity	—*	10.6	8.2	430	30	none	0.53p
		Spartan Limited Maturity Govt/Fidelity	—*	10.3	8.5	680	408	none	0.58p
B	D	SteinRoe Intermediate Bond/Stein Roe	7.4	10.7	8.3	184	14	none	0.73
		Strong Advantage Fund/Strong	—*	7.9	8.0	111	–20	none	1.20
F	A+	SunAmerica Equity–US Govt Secs[3]/SunAmerica	7.4	9.5	9.2	512	21	5.00b	*2.00p*
D	B	Thomson Fund–Income#/Thomson	5.9	4.3	10.4	292	–26	4.75	*1.07*
C	D	Thomson Fund–US Government#/Thomson	6.9	9.3	8.9	427	–11	4.75	*0.95*
C	C	Transamerica Govt Securities/Transamerica	7.1	10.1	10.7	734	–13	4.75	*1.11*
A	C	Transamerica Income Shares/closed-end	10.2	12.9	9.3	122	3	NA	0.69
		Transamerica Special Govt Inc/Transamerica	—*	8.6	9.4	103	83	6.00b	*2.00p*
D	A	20th Century US Governments/20th Century	7.0	8.9	7.5	478	10	none	1.00
		Tyler Cabot Mortgage Securities[4]/closed-end	—*	12.4	11.3	331	1	NA	1.11
C	C	United Bond Fund/Waddell	7.5	7.7	8.4	457	8	8.50	0.66
B	D	United Government Securities/Waddell	6.3	8.7	8.1	120	15	4.25	0.80
C	B	US Government Secs/American Funds	8.0	9.9	9.4	928	54	4.75	*0.87*
A	C	USAA Mutual–Income Fund/USAA	9.8	11.4	8.8	656	57	none	0.46
C	A	Value Line US Government Secs/Value Line	8.8	11.0	8.4	311	21	none	0.66
		Van Kampen Merrit Intermed Hi Inc/closed-end	—*	1.7	16.3	137	–22	NA	2.10
		Van Kampen Merritt Ltd High Inc/closed-end	—*	2.1	14.8	106	–17	NA	2.12
		Van Kampen Merritt Prime Rate[5]/closed-end	—*	9.5	9.4	1,020	64	NA	1.58
A	C	Van Kampen Merritt US Govt/Van Kampen	8.9	11.0	9.3	3,290	–2	4.90	*0.64*
		Vanguard Bond Market Fund/Vanguard	—*	10.6	8.3	559	228	none[6]	0.21
A	C	Vanguard Fixed Income–GNMA/Vanguard	9.6	11.6	8.7	3,564	54	none	0.34
A+	D	Vanguard Fixed Income–Inv Gr/Vanguard	8.7	9.9	8.9	1,458	35	none	0.37
D	A+	Vanguard Fixed Income–S-T/Vanguard	8.3	10.5	8.2	1,143	71	none	0.31
		Vanguard Fixed Inc–S-T Govt/Vanguard	—*	10.0	7.8	663	155	none	0.30
A+	F	Vanguard Fixed Inc–US Treas/Vanguard	7.1	8.7	8.2	702	33	none	0.30
C	B	WPG Government Securities Fund/Weiss	8.3	10.0	7.9	152	44	none	0.76
		Zenix Income Fund/closed-end	—*	5.6	15.5	145	8	NA	2.47

*Fund not in operation for full period. †Closed to new investors. #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. NM: Not meaningful. [1]Fund has institutional class of shares with no load or 12b-1 plan. [2]Formerly Spartan Government Fund. [3]Formerly Equitec Siebel US Government Securities. [4]Formerly Lomas Mortgage Securities. [5]Closed-end fund that acts like a money market. [6]Annual $10 maintenance fee.

Distributor table, page 294. Rules, page 210.

Junk bond funds

Junk bond funds invest in non-investment-grade corporate bonds (those rated BB+ or lower by Standard & Poor's and Ba1 or lower by Moody's). Since junk bonds perform more like stocks (their market value is more sensitive to corporate cash flow and future prospects than to movements in interest rates), we rate these bond funds with a system that is similar to the one we use for stock funds. The only difference is that we analyze junk bond funds over two instead of three market cycles. Our benchmark for junk bond performance is the Merrill Lynch high yield index, which represents a portfolio of the entire junk bond universe. Over the last 12 months the total return on this index was 13%, whereas the average junk fund in our survey had a total return of only 9.7%. There are several explanations for this performance discrepancy: A number of these funds include some nonjunk investments in their portfolios, such as cash. Moreover, some portfolios were too heavily weighted with bonds that went into default. Others may have missed out on some of the recent junk rally by the way they adjusted their portfolios. Some managers responded to the 1989-90 crash in the junk market by shifting into the better grades of junk. That ceased to be a good strategy last fall, when the market snapped back—with the biggest gains coming in the worst grades of bonds. A fund must have $100 million in assets to appear in the following table.



Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 2/87 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Merrill Lynch high yield index	7.5%	13.0%	12.8%				
		Forbes junk bond fund composite	3.6%	9.7%	13.9%				$1.22
C	D	Alliance Bond–High Yield/Alliance	-2.1%	11.1%	11.5%	$100	-22%	4.75%	*$1.60*
C	D	American Capital High Yld Inv/American Cap	0.0	4.4	15.2	319	-15	4.75	*1.03*
		American High-Income Trust/American Funds	—*	13.8	11.6	213	48	4.75	*1.00p*
		Cigna High Income Shares/closed-end	—*	8.8	15.8	165	-8	NA	1.59
B	A	Cigna High Yield Fund/Cigna	6.4	11.4	12.3	243	-3	5.00	*1.25p*
B	B	Colonial High Yield Securities/Colonial	4.5	7.5	14.1	279	-14	4.75	*1.33*

*Fund not in operation for full period. †Closed to new investors. §Distributor may impose redemption fee, which proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 2/87 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Merrill Lynch high yield index	7.5%	13.0%	12.8%				
		Forbes junk bond fund composite	3.6%	9.7%	13.9%				$1.22
B	F	Dean Witter High Yield Secs/Dean Witter	-5.6%	-5.0%	18.4%	$419	-46%	5.50%	$0.92
A	B	Delaware Group Delchester H-Y-I/Delaware	6.1	13.5	13.5	494	-6	6.75	0.90
		Delaware Group Delchester H-Y-II/Delaware	—*	13.1	13.2	109	18	4.75	*1.15*
A	C	Federated High Yield Trust/Federated	6.0	15.1	14.8	133	3	none	0.78p
D	B	Fidelity Capital & Income[1]/Fidelity	4.0	12.6	10.2	978	-18	none§	0.81
D	D	First Investors Fund for Income/First Inv	0.0	2.0	14.4	420	-57	†	*1.27*
F	D	First Investors High Yield Fund/First Inv	-0.7	-0.2	13.0	215	-67	†	*1.48*
A	D	Franklin AGE High Income Fund/Franklin	3.8	11.6	15.4	1,628	-5	4.00	0.59
		High Income Advantage Trust/closed-end	—*	4.4	14.1	156	-14	NA	1.22
		High Income Advantage Trust II/closed-end	—*	1.8	14.3	203	-17	NA	1.09
C	C	IDS Extra Income Fund/IDS	3.3	12.5	11.4	946	-4	5.00	0.87
A	C	Kemper Diversified Income Fund/Kemper	4.6	11.6	13.9	211	-12	4.50	1.15
		Kemper High Income Trust/closed-end	—*	12.8	14.5	163	-2	NA	2.35
A	B	Kemper High Yield Fund/Kemper	6.7	11.6	14.7	1,571	8	4.50	0.88
B	C	Kemper Invest-High Yield/Kemper	4.2	9.5	14.1	734	4	3.00b	*2.13*
D	D	Keystone Custodian B-4/Keystone	-2.1	-3.5	18.2	661	-18	4.00b	*2.22*
A	B	Liberty High Income Bond[2]/Federated	6.7	18.3	12.9	272	-6	4.50	1.03
C	A	Lord Abbett Bond-Debenture/Lord Abbett	5.7	9.3	12.2	547	-8	4.75	*0.88*
		Lutheran Brotherhood High Yield/Lutheran	—*	13.2	11.1	167	7	5.00	1.23
D	B	MainStay-High Yield Corp Bond/NYLife	3.6	8.7	14.9	239	18	5.00b	*2.00*
B	C	Mass Financial High Inc-Series I/Mass Finl	3.1	13.0	14.5	462	-14	4.75	*1.05*
B	A	Merrill Lynch Corp-High Inc#/ML Funds	8.1	13.4	13.9	720	2	4.00	0.69
B	C	MetLife-State Street High Income/MetLife	4.6	4.7	12.9	213	18	4.50	*1.20*
A	D	MFS Lifetime High Income Trust/Mass Finl	3.2	15.3	13.8	164	30	6.00b	*2.60*
C	D	National Bond Fund/National Secs	0.1	15.2	16.4	357	-5	4.75	1.15
D	A	Oppenheimer High Yield Fund/Oppenheimer	7.0	11.8	14.7	657	1	6.75	0.96
B	C	PaineWebber Fixed Inc-Hi Inc[3]/PaineWebber	3.8	17.1	13.4	222	-10	4.00	*1.10*
D	B	T Rowe Price High Yield Fund/Price	4.3	7.3	13.0	803	16	none	1.03
C	C	Prudential High Yield Fund#/Prudential	3.9	12.7	14.4	2,043	-2	4.50	*0.93*
C	A	Putnam High Yield Trust/Putnam	5.6	14.6	14.5	1,736	0	6.75	*1.13*
B	B	Putnam High Yield Trust II/Putnam	6.0	16.1	13.9	324	2	6.75	*1.44*
D	B	Shearson High Yield/Shearson	2.7	4.4	14.2	196	-30	5.00	1.04
C	C	Shearson Income-High Income/Shearson	3.3	6.6	13.3	227	-29	5.00b	*1.90*
D	D	United High Income Fund/Waddell	0.1	5.6	14.2	783	-11	†	0.82
D	A	United High Income Fund II/Waddell	4.0	11.5	12.5	273	-2	8.50	0.92
C	C	Van Kampen Merritt High Yield/Van Kampen	3.0	8.2	14.5	199	-10	4.90	*1.41*
C	A	Vanguard Fixed Income-High Yld/Vanguard	4.9	7.4	12.7	1,041	15	none	0.40

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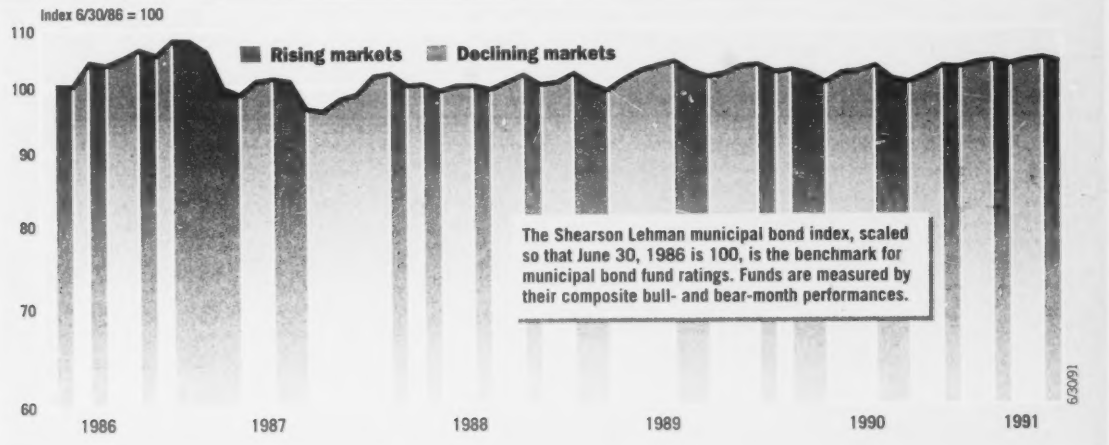
Distributor table, page 294. Rules, page 210.

Municipal bond funds

This table covers tax-exempt bond funds with at least $100 million in assets and a year of performance. Grades are awarded for the period June 30, 1986 to June 30, 1991. Each month is pegged as bearish or bullish, according to the performance of the Shearson Lehman municipal bond index. For each fund a composite bull-market performance is calculated, and the funds are graded on a curve. Ditto for our down-market calculation. Adjustment is made to compensate funds from California and New York for their handicap in buying only local bonds. Because of their limited number, the performance of other one-state funds cannot be adjusted. In general, a short-term fund can be expected to get an A or B in down markets and a D or F in up markets. The reverse is true for long-term funds.



Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/86 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index	7.2%	9.0%	7.3%				
		Forbes municipal bond fund composite	7.6%	8.2%	6.8%				$0.76
		AAL Municipal Bond Fund/AAL	—*	8.2%	6.1%	$121	42%	4.75%	*$1.10p*
A	D	AARP Insured T-F Inc–Genl Bond/Scudder	8.1%	8.2	6.0	967	33	none	0.80
F	A	AARP Insured T-F Inc–Short-Term/Scudder	5.3	6.5	6.0	113	21	none	1.12
		Alliance Muni Income–Calif/Alliance	—*	8.3	6.9	198	47	4.50	*0.28p*
		Alliance Muni Income–Ins Natl/Alliance	—*	8.9	6.4	125	8	4.50	*0.93p*
		Alliance Muni Income–Natl/Alliance	—*	9.2	6.9	200	10	4.50	*0.64p*
		Alliance Muni Income–New York/Alliance	—*	8.4	6.9	128	12	4.50	*0.54p*
		Allstate Municipal Income/closed-end	—*	8.0	6.7	339	2	NA	0.75
		Allstate Municipal Income II/closed-end	—*	8.8	6.4	286	1	NA	0.87
		Allstate Municipal Inc Oppor/closed-end	—*	7.3	7.9	202	1	NA	1.12

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Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/86 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index	7.2%	9.0%	7.3%				
		Forbes municipal bond fund composite	7.6%	8.2%	6.8%				$0.76
		Allstate Municipal Inc Oppor II/closed-end	—*	8.1%	7.6%	$194	1%	NA	$1.06
		Allstate Municipal Inc Oppor III/closed-end	—*	9.7	6.3	109	2	NA	1.12
		Allstate Municipal Premium Inc/closed-end	—*	10.1	6.7	372	1	NA	1.57
B	F	American Capital Muni Bond/American Cap	6.4%	7.6	6.9	253	3	4.75%	*0.86*
D	A	American Capital T-E Hi Yld/American Cap	5.9	7.1	7.9	216	–4	4.75	*1.04*
D	A	Benham Calif Tax-Free–Intermed/Benham	6.3	7.9	5.8	225	19	none	0.58
B	D	Benham Calif Tax-Free–L-T/Benham	7.1	8.4	6.4	226	12	none	0.57
		Bernstein Diversified Muni/Bernstein	—*	8.0	5.8	193	16	none	0.72
		Bernstein New York Muni/Bernstein	—*	8.4	5.8	179	23	none	0.71
D	B	California Tax-Exempt Bonds/National Secs	8.1	8.6	6.7	128	16	4.75	0.63
D	A	California Tax-Free Income/California Inv	8.2	7.5	6.5	119	38	none	0.60p
F	A+	Calvert Tax-Free Reserves–Limited/Calvert	6.1	6.4	6.1	220	68	2.00	0.78
A+	F	Cigna Municipal Bond Fund/Cigna	7.9	8.1	6.8	261	1	5.00	*0.93*
D	C	Colonial California Tax-Exempt/Colonial	7.0	7.9	6.9	267	29	4.75	*0.80p*
		Colonial High Income Municipal/closed-end	—*	5.8	9.0	271	–3	NA	0.96
		Colonial Investment Grade Muni/closed-end	—*	8.3	8.3	125	0	NA	0.45p
		Colonial Mass Tax-Exempt/Colonial	—*	9.0	7.2	111	85	4.75	0.40p
		Colonial Municipal Income Trust/closed-end	—*	6.4	8.9	219	–2	NA	0.86
D	B	Colonial Tax-Exempt Fund/Colonial	7.5	8.4	7.5	2,238	30	4.75	*1.05*
C	C	Colonial Tax-Exempt Insured/Colonial	7.2	8.3	6.5	166	26	4.75	*1.10*
B	C	Columbia Municipal Bond Fund/Columbia	8.1	8.8	6.3	238	24	none	0.58
D	B	Composite Tax-Exempt Bond/Murphey	7.1	7.8	6.4	123	16	4.00	*0.77*
A	D	Dean Witter Calif Tax-Free Inc/Dean Witter	7.7	7.2	5.9	745	19	5.00b	*1.30*
B	D	Dean Witter NY Tax-Free Income/Dean Witter	7.2	7.7	6.0	166	8	5.00b	*1.37*
A	C	Dean Witter Tax-Ex Secs/Dean Witter	8.4	8.7	7.1	1,057	3	4.00	0.51
C	B	Delaware Group Tax-Free–USA/Delaware	8.2	7.4	6.9	655	7	4.75	0.74
C	B	DMC Tax-Free Income Trust–PA/Delaware	7.9	8.1	6.9	694	9	4.75	0.72
D	B	Dreyfus California Tax-Ex Bond/Dreyfus	6.9	7.2	6.8	1,618	7	none	0.68
D	C	Dreyfus Insured Muni Bond/Dreyfus	6.8	7.8	6.4	223	13	none	*0.96*
D	A	Dreyfus Intermediate Muni Bond/Dreyfus	7.4	8.3	6.8	1,222	9	none	0.66
D	C	Dreyfus Massachusetts T-E Bond/Dreyfus	6.6	7.6	6.7	123	12	none	0.81
		Dreyfus Municipal Income/closed-end	—*	9.5	7.1	184	3	NA	0.86
		Dreyfus NJ Municipal Bond/Dreyfus	—*	9.1	6.5	427	41	none	*0.77p*
		Dreyfus NY Insured T-E Bond/Dreyfus	—*	8.7	6.3	120	42	none	*0.50p*
D	B	Dreyfus NY Tax-Exempt Bond/Dreyfus	7.0	8.0	7.0	1,714	1	none	0.70
		Dreyfus NY T-E Intermed Bond/Dreyfus	—*	7.9	6.4	112	17	none	*0.42p*
		Dreyfus Strategic Municipal Bond/closed-end	—*	8.9	7.5	400	4	NA	0.56p

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Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/86 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index	7.2%	9.0%	7.3%				
		Forbes municipal bond fund composite	7.6%	8.2%	6.8%				$0.76
		Dreyfus Strategic Municipals/closed-end	—*	8.3%	7.8%	$499	3%	NA	$0.88
C	B	Dreyfus Tax-Exempt Bond Fund/Dreyfus	7.9%	8.5	7.0	3,819	1	none	0.67
		Dupree–Kentucky T-F Income/Dupree	—*	8.4	6.6	114	30	none	0.75
C	D	Eaton Vance California Munis†/Eaton Vance	6.3	6.2	6.7	328	18	6.00b%	*1.95*
D	C	Eaton Vance National Munis/Eaton Vance	5.8	6.3	7.6	1,117	5	6.00b	*1.89*
D	B	Federated Intermediate Municipal/Federated	6.5	8.1	6.2	120	25	none	0.49p
C	B	Federated Tax-Free Income Fund/Federated	8.1	8.5	6.6	532	5	4.50	0.89
		Fidelity Calif Tax-Free Insured/Fidelity	—*	7.7	6.2	118	28	none	0.72
C	C	Fidelity Calif Tax-Free High Yield/Fidelity	7.3	7.9	6.6	515	–1	none	0.58
C	B	Fidelity Mass Tax-Free High Yield/Fidelity	7.9	9.8	7.0	801	12	none	0.55
B	C	Fidelity Mich Tax-Free High Yield/Fidelity	7.7	7.5	6.9	318	20	none	0.64
C	B	Fidelity Minn Tax-Free/Fidelity	8.4	8.6	6.6	189	25	none	0.76
C	B	Fidelity NY Tax-Free High Yield/Fidelity	7.5	7.8	6.7	380	–3	none	0.59
C	C	Fidelity NY Tax-Free Insured/Fidelity	7.2	8.4	6.3	253	17	none	0.64
C	D	Fidelity Ohio Tax-Free High Yield/Fidelity	6.7	9.2	6.6	271	24	none	0.66
D	A	Fidelity Tax-Free–Aggressive/Fidelity	8.8	8.8	7.8	584	7	none§	0.66
B	C	Fidelity Tax-Free–High Yield/Fidelity	8.5	10.8	6.8	1,848	8	none	0.57
B	D	Fidelity Tax-Free–Insured/Fidelity	7.5	8.5	6.3	243	31	none	0.67
D	B	Fidelity Tax-Free–Ltd Term Munis/Fidelity	7.2	9.3	6.6	524	22	none	0.67
B	C	Fidelity Tax-Free–Municipal Bond/Fidelity	8.1	8.2	6.5	1,080	4	none	0.50
A+	F	Financial Tax-Free Income Shs/Invesco	8.6	8.5	6.4	208	16	none	*0.93*
D	A	First Investors Insured Tax-Ex/First Inv	7.6	7.9	7.0	1,145	3	6.90	*1.21*
D	B	First Investors NY Insured T-F/First Inv	6.9	8.2	6.4	154	–1	6.90	*1.23*
		Flagship Tax-Ex–Conn Double/Flagship	—*	7.4	6.5	104	37	4.20	*0.62*
		Flagship Tax-Ex–Fla Double/Flagship	—*	8.8	6.5	144	NM	4.20	*0.40p*
		Flagship Tax-Ex–Kentucky Triple/Flagship	—*	9.0	6.6	145	28	4.20	*0.60*
A	D	Flagship Tax-Ex–Michigan Triple/Flagship	8.3	8.0	6.6	138	30	4.20	*0.86*
A	F	Flagship Tax-Ex–NC Triple/Flagship	7.7	8.2	6.3	109	13	4.20	*0.94*
A	D	Flagship Tax-Ex–Ohio Double/Flagship	8.2	8.3	6.5	270	15	4.20	*0.94*
		Fortress Municipal Income/Federated	—*	8.9	7.0	125	42	1.75b	*1.02p*
		Franklin Arizona Tax-Free Income/Franklin	—*	7.7	7.2	487	78	4.00	0.59
B	D	Franklin Calif Insured T-F Income/Franklin	7.1	7.7	6.6	472	54	4.00	0.57
D	A	Franklin Calif Tax-Free Income/Franklin	7.8	7.2	7.2	11,775	8	4.00	0.48
B	C	Franklin Federal Tax-Free Income/Franklin	8.3	8.3	7.5	4,449	11	4.00	0.50
		Franklin Florida Tax-Free Income/Franklin	—*	8.1	7.3	705	66	4.00	0.57
D	A	Franklin High Yield Tax-Free Income/Franklin	8.4	6.9	8.1	1,819	10	4.00	0.52
B	D	Franklin Insured Tax-Free Income/Franklin	8.0	8.9	6.8	913	20	4.00	0.53

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Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/86 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index	7.2%	9.0%	7.3%				
		Forbes municipal bond fund composite	7.6%	8.2%	6.8%				$0.76
C	D	Franklin Mass Insured T-F Income/Franklin	7.1%	8.2%	6.7%	$174	31%	4.00%	$0.70
B	C	Franklin Mich Insured T-F Income/Franklin	7.8	7.9	6.6	561	23	4.00	0.61
B	C	Franklin Minn Insured T-F Income/Franklin	7.7	7.4	6.9	306	21	4.00	0.67
		Franklin NJ Tax-Free Income/Franklin	—*	9.3	6.9	292	100	4.00	0.65
C	B	Franklin NY Tax-Free Income/Franklin	8.0	7.8	7.3	3,127	6	4.00	0.50
B	C	Franklin Ohio Insured T-F Income/Franklin	7.8	8.2	6.8	314	34	4.00	0.65
		Franklin Oregon Tax-Free Income/Franklin	—*	8.4	6.6	150	67	4.00	0.70
		Franklin Penn Tax-Free Income/Franklin	—*	7.1	7.4	336	53	4.00	0.62
C	C	Franklin PR Tax-Free Income/Franklin	7.4	8.0	6.6	106	25	4.00	0.70
		Franklin Virginia Tax-Free Income/Franklin	—*	8.1	7.1	106	109	4.00	0.72
		Freedom Inv–Managed Tax-Ex/Freedom	—*	8.4	6.6	178	35	3.00b	*0.99p*
		General Calif Municipal Bond/Dreyfus	—*	7.0	7.2	212	173	none	*0.20p*
A	D	General Municipal Bond/Dreyfus	8.0	9.9	7.6	418	125	none	*0.00p*
D	A	General NY Municipal Bond/Dreyfus	6.7	8.7	7.1	151	74	none	*0.26p*
		GW Sierra–Calif Muni Income/Gt Western	—*	7.4	6.5	203	118	4.50	*1.08p*
B	C	John Hancock Tax-Exempt Income/Hancock	8.1	8.2	6.4	396	4	4.50	*1.23*
D	A	Hawaiian Tax-Free Trust/Aquila	7.6	7.8	6.6	413	18	4.00	0.71
		IDS California Tax-Exempt Fund/IDS	—*	7.8	6.5	185	30	5.00	0.61
C	B	IDS High Yield Tax-Exempt Fund/IDS	8.2	8.1	7.4	4,967	8	5.00	0.60
		IDS Insured Tax-Exempt Fund/IDS	—*	8.3	6.3	195	46	5.00	0.68
		IDS Minnesota Tax-Exempt Fund/IDS	—*	8.2	6.6	233	29	5.00	0.63
A	D	IDS Tax-Exempt Bond Fund/IDS	7.7	6.7	6.5	1,144	8	5.00	0.61
B	B	Kemper California Tax-Free Inc/Kemper	8.6	8.4	6.5	914	27	4.50	0.64
A	C	Kemper Municipal Bond Fund/Kemper	8.8	9.1	6.8	2,311	11	4.50	0.48
		Kemper Municipal Income Trust/closed-end	—*	11.5	7.5	421	4	NA	0.73
B	C	Kemper New York Tax-Free Fund/Kemper	7.1	9.1	6.8	216	30	4.50	0.72
		Kemper Strategic Muni Income/closed-end	—*	9.2	6.7	117	2	NA	0.76
		Keystone America Tax-Free Inc/Keystone	—*	7.5	6.1	138	-10	2.00	*1.66*
B	D	Keystone Tax-Exempt Trust/Keystone	7.3	7.3	6.0	597	0	4.00b	*1.93*
C	B	Keystone Tax-Free Fund/Keystone	7.7	7.6	6.8	1,068	23	†	*1.18*
D	A+	Limited Term Municipal–Natl/Thornburg	7.1	7.6	6.6	310	44	3.50	*1.05*
B	C	Lord Abbett Calif Tax-Free Inc/Lord Abbett	8.3	9.1	6.5	123	15	4.75	*0.61p*
B	C	Lord Abbett Tax-Free Inc–Natl/Lord Abbett	8.9	8.8	6.6	358	11	4.75	*0.79*
B	B	Lord Abbett Tax-Free Inc–NY/Lord Abbett	8.6	8.7	6.8	209	15	4.75	*0.78*
C	B	Lutheran Brotherhood Muni Bond/Lutheran	8.3	8.5	6.8	402	11	5.00	0.86
D	B	MainStay–Tax-Free Bond/NYLife	6.6	7.1	6.2	163	24	5.00b	*1.89*
C	C	Merrill Lynch Calif Muni Bond#/ML Funds	7.3	7.2	6.6	711	1	4.00	0.65

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Distributor table, page 294. Rules, page 210.

MUNICIPAL BOND FUNDS

FUND SURVEY

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/86 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index	7.2%	9.0%	7.3%				
		Forbes municipal bond fund composite	7.6%	8.2%	6.8%				$0.76
C	C	Merrill Lynch Muni–Hi Yield#/ML Funds	8.1%	8.0%	7.1%	$1,469	-5%	4.00%	NA
B	C	Merrill Lynch Muni–Insured#/ML Funds	8.2	8.8	6.8	2,522	4	none	NA
F	A+	Merrill Lynch Muni–Ltd Mat/ML Funds	5.7	6.5	5.8	351	0	0.75	$0.40
		Merrill Lynch Municipal Income#/ML Funds	—*	7.0	6.3	102	-16	2.00	0.92
B	C	Merrill Lynch NY Muni Bond#/ML Funds	7.2	7.7	6.7	559	-7	4.00	0.68
		MFS Lifetime Managed Muni Bond/Mass Finl	—*	6.6	5.9	391	6	6.00b	*2.05*
D	A	MFS Managed High Yield Muni Bond/Mass Finl	6.6	5.6	8.5	632	-8	†	1.05
C	B	MFS Managed M-S Tax-Ex–Md/Mass Finl	7.8	7.8	6.4	108	12	4.75	*1.17*
C	B	MFS Managed M-S Tax-Ex–Mass/Mass Finl	7.5	8.7	6.8	221	2	4.75	*1.07*
C	C	MFS Managed M-S Tax-Ex–NC/Mass Finl	7.4	7.9	6.3	263	34	4.75	*1.09*
C	B	MFS Managed M-S Tax-Ex–Va/Mass Finl	8.1	7.9	6.5	300	19	4.75	*1.11*
A	D	MFS Managed Municipal Bond/Mass Finl	8.4	8.2	6.5	1,571	13	4.75	0.60
		MFS Municipal Income Trust/closed-end	—*	3.6	8.4	320	-4	NA	1.30
		Municipal High Income Fund/closed-end	—*	7.4	8.0	169	2	NA	1.95
		MuniEnhanced Fund/closed-end	—*	9.9	7.0	468	2	NA	0.71
		MuniVest Fund/closed-end	—*	9.5	7.6	826	2	NA	0.67
A	D	Mutual of Omaha T-F Inc/Mutual of Omaha	8.6	8.6	6.4	378	6	4.75	*0.78*
B	D	Nationwide Tax-Free Fund/Nationwide	6.9	7.7	6.2	108	25	5.00b	*1.00p*
A	D	New England Tax-Exempt Income/TNE	7.3	7.3	6.2	150	4	4.50	*0.97*
D	F	New York Muni Fund/Fundamental	4.6	1.3	6.0	173	-27	none	*1.48*
		Nuveen Calif Muni Market Oppor/closed-end	—*	10.1	7.1	165	54	NA	0.82
		Nuveen Calif Muni Value/closed-end	—*	8.0	6.5	187	2	NA	0.89
		Nuveen Calif Performance Plus Muni/closed-end	—*	9.8	7.1	263	2	NA	0.78
		Nuveen Calif Tax-Free–Spec Bond/Nuveen	—*	8.2	6.5	108	37	4.75	0.69
		Nuveen Insured T-F Bond–Natl/Nuveen	—*	9.3	6.3	211	59	4.75	0.77
		Nuveen Insured T-F Bond–NY/Nuveen	—*	8.7	6.4	102	86	4.75	0.71
		Nuveen Invest Quality Muni/closed-end	—*	10.7	6.1	749	78	NA	0.74
		Nuveen Municipal Advantage Fund/closed-end	—*	10.5	7.6	884	2	NA	0.75
C	B	Nuveen Municipal Bond Fund/Nuveen	8.7	8.7	6.7	1,551	20	4.75	0.61
		Nuveen Municipal Market Oppor/closed-end	—*	11.2	7.5	933	3	NA	0.74
		Nuveen Municipal Value Fund/closed-end	—*	8.7	7.0	1,645	2	NA	0.86
		Nuveen NY Muni Market Oppor/closed-end	—*	9.1	6.7	121	53	NA	0.84
		Nuveen NY Muni Value/closed-end	—*	8.2	6.7	115	2	NA	0.96
		Nuveen NY Performance Plus Muni/closed-end	—*	9.6	7.5	147	2	NA	0.84
		Nuveen Performance Plus Muni/closed-end	—*	10.6	7.2	1,198	2	NA	0.75
		Nuveen Premium Income Muni/closed-end	—*	10.7	7.2	1,123	3	NA	0.64
		Oppenheimer Calif Tax-Exempt/Oppenheimer	—*	7.8	6.8	113	56	4.75	*0.53p*

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Distributor table, page 294. Rules, page 210.

MUNICIPAL BOND FUNDS

FUND SURVEY

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return: Annual average 6/86 to 6/91	Total return: Last 12 months	Yield	Assets: 6/30/91 ($mil)	Assets: % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index	7.2%	9.0%	7.3%				
		Forbes municipal bond fund composite	7.6%	8.2%	6.8%				$0.76
D	A	Oppenheimer New York Tax-Ex/Oppenheimer	7.1%	8.1%	6.8%	$312	28%	4.75%	*$0.95*
C	B	Oppenheimer Tax-Free Bond/Oppenheimer	7.7	8.0	6.9	313	31	4.75	*0.89*
		Overland Express Calif T-F Bond/Overland	—*	8.7	6.9	282	115	4.50	0.22p
D	B	Pacific Horizon–Calif T-E Bond/Concord Finl	7.0	7.8	6.4	116	11	4.50	*1.01p*
C	B	PaineWebber California T-F Inc[1]/PaineWebber	8.4	11.3	6.6	223	9	4.00	*0.93*
B	C	PaineWebber National T-F Inc[1,2]/PaineWebber	7.9	7.9	6.7	357	6	4.00	*0.73*
		Pierpont Tax-Exempt Bond/TBC	—*	8.7	5.9	169	17	none	0.79p
		Premier Calif Muni Bond/Dreyfus	—*	7.3	7.1	198	84	4.50	*0.11p*
		Premier Municipal Bond/Dreyfus	—*	9.6	7.4	269	117	4.50	*0.22p*
		Premier State Muni–Conn/Dreyfus	—*	7.5	6.8	199	94	4.50	*0.21p*
		Premier State Muni–Florida/Dreyfus	—*	9.1	7.1	190	116	4.50	*0.21p*
		Premier State Muni–Maryland/Dreyfus	—*	8.8	6.9	191	83	4.50	*0.21p*
		Premier State Muni–Michigan/Dreyfus	—*	8.4	7.0	119	69	4.50	*0.20p*
		Premier State Muni–Ohio/Dreyfus	—*	8.9	7.1	191	77	4.50	*0.21p*
		Premier State Muni–Penn/Dreyfus	—*	8.8	7.3	121	89	4.50	*0.22p*
		T Rowe Price Maryland T-F Bond/Price	—*	7.8	6.2	365	57	none	0.63
C	A	T Rowe Price Tax-Free High Yield/Price	8.7	8.7	7.1	547	16	none	0.83
C	D	T Rowe Price Tax-Free Income Fund/Price	6.4	8.1	6.5	1,156	2	none	0.62
F	A	T Rowe Price T-F Short Intermed/Price	5.7	7.0	5.6	255	16	none	0.74
C	D	Prudential Calif Muni#/Prudential	6.4	7.4	6.4	170	–5	4.50	*0.86*
		Prudential Muni Bond–High Yield#/Prudential	—*	7.0	7.5	738	11	4.50	*0.77*
		Prudential Muni Bond–Insured#/Prudential	—*	8.4	6.3	587	10	4.50	*0.79*
		Prudential Muni–New Jersey#/Prudential	—*	9.3	6.5	235	32	4.50	*0.78*
B	D	Prudential Muni–New York#/Prudential	6.2	7.9	6.6	288	–12	4.50	*0.77*
		Prudential Muni–Penn#/Prudential	—*	7.0	6.3	167	10	4.50	*0.87*
B	D	Prudential Natl Municipals#/Prudential	6.9	8.4	6.3	857	–10	4.50	*0.75*
C	B	Putnam Calif Tax-Exempt Income/Putnam	8.4	8.3	6.8	2,108	18	4.75	0.64
		Putnam High Yield Muni/closed-end	—*	6.1	9.1	180	–3	NA	0.90
		Putnam Investment Grade Muni/closed-end	—*	8.5	8.0	353	67	NA	1.21
		Putnam Managed Municipal Income/closed-end	—*	9.1	8.3	568	47	NA	1.29
B	C	Putnam New York Tax-Exempt Income/Putnam	8.0	7.3	7.0	1,507	9	4.75	0.56
		Putnam Ohio Tax-Exempt Income/Putnam	—*	6.9	6.1	101	–1	†	*1.71*
A	D	Putnam Tax-Exempt Income/Putnam	8.2	6.8	6.7	1,418	6	4.75	0.54
		Putnam Tax-Free High Income/Putnam	—*	8.1	8.2	263	31	4.75	0.95
D	A	Putnam Tax-Free Income–Hi Yld/Putnam	7.0	6.5	7.4	719	12	5.00b	*1.49*
C	C	Putnam Tax-Free Income–Insured/Putnam	7.3	7.0	5.7	353	16	5.00b	*1.80*
D	A+	Rochester Fund Municipals/Rochester	8.7	9.2	7.2	367	136	4.00	*0.70*

*Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* #Fund has two classes of shares. Performance figures are for class with front-end load and no or low 12b-1 plan. Assets are for entire fund. b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]As of 7/1/91 two classes of shares available, one with front-end load, the other with exit fee and 12b-1. [2]Formerly PaineWebber Tax-Exempt Income Fund.

Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/86 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index	7.2%	9.0%	7.3%				
		Forbes municipal bond fund composite	7.6%	8.2%	6.8%				$0.76
A	D	Safeco Municipal Bond Fund/Safeco	9.1%	8.9%	6.6%	$357	17%	none	$0.56
B	C	Scudder Calif Tax-Free Fund/Scudder	7.9	8.2	6.1	216	8	none	0.84
		Scudder High Yield Tax-Free/Scudder	—*	9.3	6.8	141	17	none	1.01p
A	D	Scudder Managed Muni Bonds/Scudder	8.7	9.1	6.4	736	6	none	0.61
F	A+	Scudder Medium Term Tax-Free[1]/Scudder	5.9	8.1	6.0	136	198	none	0.00p
B	C	Scudder NY Tax-Free/Scudder	7.6	7.9	6.2	143	6	none	0.91
		Seligman Select Municipal/closed-end	—*	10.8	7.4	221	2	NA	0.78p
A	D	Seligman Tax-Exempt–Mass/Seligman	7.9	8.9	6.5	113	–5	4.75%	0.85
A	D	Seligman Tax-Exempt–Michigan/Seligman	8.3	8.0	6.3	124	8	4.75	0.80
B	D	Seligman Tax-Exempt–Minnesota/Seligman	7.8	7.4	6.3	178	10	4.75	0.80
A+	F	Seligman Tax-Exempt–National/Seligman	8.2	7.8	6.4	135	–3	4.75	0.81
A	D	Seligman Tax-Exempt–Ohio/Seligman	8.5	8.4	6.5	149	8	4.75	0.77
C	B	Shearson Calif Municipals/Shearson	7.8	7.7	6.9	342	5	5.00	0.66
C	C	Shearson Income–Tax-Ex Income/Shearson	7.4	7.6	6.7	624	10	5.00b	*1.45*
B	C	Shearson Managed Municipals/Shearson	8.1	8.1	7.4	1,508	5	5.00	0.59
C	B	Shearson NY Municipals/Shearson	8.0	8.2	7.2	437	1	5.00	0.66
		Smith Barney Muni Bond–Calif/Smith Barney	—*	8.9	7.1	102	21	4.00	0.21p
		Smith Barney Muni Bond–Natl/Smith Barney	—*	9.3	7.1	212	23	4.00	0.39p
		Spartan California Muni High Yield/Fidelity	—*	9.0	6.8	316	109	none	0.19p
		Spartan Conn Muni High Yield/Fidelity	—*	7.6	6.4	294	28	none	0.55p
		Spartan Municipal Income/Fidelity	—*	9.5	7.3	442	NM	none§	0.12p
		Spartan New Jersey Muni High Yield[2]/Fidelity	—*	9.1	6.4	243	24	none	0.55p
		Spartan New York Muni High Yield/Fidelity	—*	8.3	7.0	183	106	none	0.35p
		Spartan Penn Muni High Yield/Fidelity	—*	9.5	7.1	163	33	none	0.60p
C	B	SteinRoe High Yield Municipals/Stein Roe	9.2	8.8	7.0	374	20	none	0.71
D	A	SteinRoe Intermediate Munis/Stein Roe	6.8	8.2	5.8	119	20	none	0.81p
B	C	SteinRoe Managed Municipals/Stein Roe	8.6	9.0	6.4	656	12	none	0.66
C	C	Tax-Ex Bond Fund of America/American Funds	7.6	8.2	6.4	674	24	4.75	*0.70*
		Tax-Ex Fund of California/American Funds	—*	7.5	5.8	106	27	4.75	*0.93*
		Tax-Free Fund of Colorado/Aquila	—*	7.9	6.4	109	46	4.00	0.27p
B	C	Tax-Free Trust of Arizona/Aquila	8.2	8.6	6.6	175	45	4.00	0.58p
C	B	Tax-Free Trust of Oregon/Aquila	7.7	8.1	6.4	175	27	4.00	0.71
		Transamerica Calif Tax-Free Inc/Transamerica	—*	9.3	7.2	132	232	4.75	*0.50p*
A+	D	United Municipal Bond Fund/Waddell	8.7	8.4	6.5	726	11	4.25	0.59
D	A	United Municipal High Income/Waddell	8.0	8.3	7.8	214	12	4.25	0.80
		USAA Tax-Exempt–Calif Bond/USAA	—*	8.7	6.6	223	69	none	0.50p
B	C	USAA Tax-Exempt–High Yield/USAA	8.1	8.3	7.1	1,429	13	none	0.40
D	A	USAA Tax-Exempt–Intermediate/USAA	7.3	8.5	6.8	628	26	none	0.43
F	A+	USAA Tax-Exempt–Short-Term/USAA	5.9	6.9	6.3	480	61	none	0.50
D	A	UST Master Tax-Exempt–Intermed/UST Secs	6.4	8.3	6.3	140	55	4.50	0.66

*Fund not in operation for full period. †Closed to new investors. §Distributor may impose redemption fee, which proceeds revert to the fund. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available. [1]Formerly Scudder Tax-Free Target–1990. [2]Formerly Fidelity New Jersey Tax-Free–High Yield.

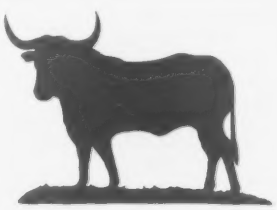
Distributor table, page 294. Rules, page 210.

Performance UP markets	Performance DOWN markets	Fund/distributor	Total return Annual average 6/86 to 6/91	Total return Last 12 months	Yield	Assets 6/30/91 ($mil)	Assets % change 91 vs 90	Maximum sales charge	Annual expenses per $100
		Shearson Lehman municipal bond index	7.2%	9.0%	7.3%				
		Forbes municipal bond fund composite	7.6%	8.2%	6.8%				$0.76
D	B	Value Line Tax-Exempt–Hi Yld/Value Line	7.6%	8.0%	7.1%	$281	1%	none	$0.60
B	C	Van Kampen Merritt Ins T-F/Van Kampen	7.9	9.2	6.5	752	16	4.90%	*0.87*
		Van Kampen Merritt Muni Inc/closed-end	—*	11.6	7.4	427	2	NA	1.43
		Van Kampen Merritt T-F Hi Inc/Van Kampen	—*	4.6	8.1	620	-3	4.90	*1.08*
A+	F	Vanguard California T-F–Ins L-T/Vanguard	7.5	7.3	6.1	488	51	none	0.26
A+	D	Vanguard Muni Bond–High Yield/Vanguard	8.7	9.1	7.2	1,117	13	none	0.26
A	D	Vanguard Muni Bond–Ins L-T/Vanguard	8.6	8.4	6.7	1,437	28	none	0.26
C	B	Vanguard Muni Bond–Intermed/Vanguard	8.4	9.3	6.5	1,766	43	none	0.26
		Vanguard Muni Bond–Ltd Term/Vanguard	—*	8.0	6.0	364	60	none	0.26
A+	D	Vanguard Muni Bond–Long-Term/Vanguard	8.6	9.2	6.9	754	8	none	0.26
F	A+	Vanguard Muni Bond–S-T/Vanguard	6.0	6.8	5.7	796	10	none	0.26
		Vanguard NJ Tax-Free–Ins L-T/Vanguard	—*	9.0	6.2	343	81	none	0.25
A	D	Vanguard NY Insured Tax-Free/Vanguard	7.2	8.4	6.2	309	44	none	0.29
A	D	Vanguard Penn Tax-Free–Ins L-T/Vanguard	8.0	8.3	6.3	673	34	none	0.26
D	A	Voyageur Minnesota Tax-Free/Voyageur	7.9	8.6	6.7	218	19	4.75	*0.82*

*Fund not in operation for full period. †Closed to new investors. *Expense ratio is in italics if the fund has a shareholder-paid 12b-1 plan exceeding 0.1% (hidden load) pending or in force.* b: Includes back-end load that reverts to distributor. p: Net of absorption of expenses by fund sponsor. NA: Not applicable or not available.

Distributor table, page 294. Rules, page 210.

Interest rates up? Interest rates down?



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Taxable money funds

This list of money market funds is short because we think that the business of finding a good one is simple. The best deal is usually the fund with the lowest expense ratio. To make this list a fund has to have at least $500 million in assets and an expense ratio of 0.7% a year or less—that's 70 cents on every $100 invested.

Lowest expenses? Why not highest yield? Because there is so little difference between one fund and another in portfolio skills. No talent or experience will enable one buyer of $50 million in 30-day Treasury bills to get a better deal than another buyer.

Thus, if two funds have different results, it could be that one fund is taking more chances with your money than the other. Money fund managers take chances by either stretching out maturities or buying bank CDs and commercial paper rather than government-guaranteed paper. If that smidgen of risk doesn't trouble you, then go for yield. But stay away from high-expense money funds. An extra overhead charge is money down the drain. It buys you no enhancement in performance. A cheap fund costs 0.3%, an expensive one 1%. The extra 0.7% on the expensive fund comes to $70 a year per $10,000 invested. Why put it in someone else's pocket?

All that said, let's make three exceptions to the general rule that low expenses matter the most in picking one of these funds. First, convenience is important. If you have a cash management account at a broker, you probably want your money fund there. Second, the five bulleted funds can give you an additional fraction of a point in aftertax return by paying dividends that are exempt from state tax in most states. (States that refuse to exempt the dividends: Connecticut, Mississippi, North Dakota, Pennsylvania and Tennessee.) Third, the "p" after an expense ratio is a caution. It indicates that the sponsor is temporarily reducing its expense charge. When the come-on sale ends, you may have to move your money out to get a cheap fund.

Fund/distributor	Assets 6/30/91 ($mil)	Last 12 months return from income dividends	Annual expenses per $100
■ Benham Govt Agency/Benham	$1,165	7.2%	$0.00p
■ Capital Preservation Fund/Benham	3,375	6.6	0.53
Columbia Daily Income Co/Columbia	788	6.8	0.68
■ Dreyfus 100% US Treas MM[1]/Dreyfus	3,140	7.2	0.19p
Dreyfus Liquid Assets/Dreyfus	6,644	6.8	0.65
Dreyfus Worldwide Dollar MM/Dreyfus	9,646	7.4	0.17p
Fidelity Daily Income Trust/Fidelity	2,774	6.8	0.63
Kemper Money Market–Govt Secs/Kemper	1,139	6.9	0.42
Kemper Money Market–MM/Kemper	7,753	7.2	0.45
Merrill Lynch Government Fund/ML Boston	1,337	6.8	0.44
Merrill Lynch Institutional Fund/ML Boston	2,281	7.0	0.42
Merrill Lynch Retirement Res Money/ML Funds	6,400	7.0	0.65
National Liquid Reserves–Cash/Smith Barney	1,897	6.7	0.52
National Liquid Reserves–Retire/Smith Barney	949	6.7	0.59
New England Cash Mgmt–MM/TNE	1,154	6.9	0.68p
Pacific Horizon–Prime/Concord Finl	2,845	7.1	0.56
Pacific Horizon–Treasury/Concord Finl	1,946	6.7	0.55
PaineWebber Cashfund/PaineWebber	4,668	6.9	0.53
PaineWebber RMA–MM/PaineWebber	4,209	6.9	0.66
Parkstone Prime Obligations/Winsbury	702	6.9	0.64p
Portico–Money Market Fund/Sunstone	640	7.0	0.50p
Scudder Cash Investment Trust/Scudder	1,729	6.9	0.65
Spartan Money Market/Fidelity	6,670	7.2	0.28p
■ Spartan US Government MM/Fidelity	1,956	7.2	0.37p
■ Spartan US Treasury MM/Fidelity	2,630	7.1	0.15p
Standby Reserve Fund/Cowen	612	6.7	0.68
USAA Mutual–Money Market/USAA	1,008	7.0	0.55
UST Master Funds–Govt Money/UST Secs	704	6.9	0.50
Vanguard MM Reserves–Federal/Vanguard	2,041	7.0	0.30
Vanguard MM Reserves–Prime/Vanguard	14,060	7.2	0.30
Vanguard MM Reserves–US Treas/Vanguard	1,974	6.8	0.30
Vantage Money Market–Cash/Smith Barney	1,168	6.7	0.55

■ Dividend exempt from state tax in states that permit flow-through of US government interest. p: Net of absorption of expenses by fund sponsor. [1]Formerly Dreyfus US Guaranteed Money Market.

Distributor table, page 294. Rules, page 210.

Tax-free money funds

The basic rule of picking a taxable money fund applies to tax-free money funds, too. The rule, explained on the page opposite, is to look for a low expense ratio.

The logic, again, is that an institutional buyer in the market for short-term tax-exempt paper pretty much gets what it pays for, so differences in results between two funds with the same quality of paper in their portfolios boil down to differences in overhead costs. To qualify for this list a tax-free money market fund had to have at least $100 million in assets. We show the 32 with the lowest expense ratios.

Again, the "p" is a caution—a warning that the sponsor is temporarily cutting the fees it charges and could raise them at any time. A further caution on the four Fidelity Spartan funds here, all of which are temporarily absorbing expenses, is that they charge fees for transactions. Thus, the Spartan funds are suitable for investment but not for use as checking accounts.

A further question for investors who want just one money fund: Which gives a better aftertax return, a taxable fund or a tax-free one? The answer depends on your tax bracket. A good rule of thumb, however, is this: It scarcely matters. Consider a high-bracket New York City resident. In the Dreyfus 100% U.S. Treasury Money Market he would have taken in 7.2% over the past year, exempt from New York City and New York State taxes. After federal taxes at, say, 32%, the net return would be 4.9%. Alternatively, he might have used the Vanguard Muni Bond–Money Market. After local taxes, but giving effect to the federal tax benefit for a deduction for local taxes, the Vanguard fund's return would have been 4.8%.

The yields on this and the facing page represent uncompounded total payouts over the past 12 months. Current yields are a bit lower. But then, you'd be making a mistake to focus too much on yields. Compare expense ratios.

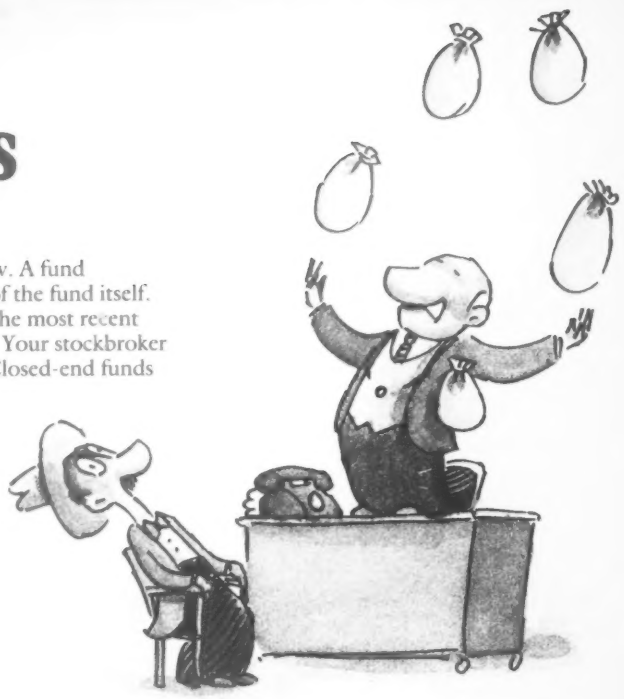
Fund/distributor	Assets 6/30/91 ($mil)	Last 12 months return from income dividends	Annual expenses per $100
Calvert Tax-Free Reserves–Calif/Calvert	$257	5.3%	$0.31p
Carnegie Tax-Free Income Trust/Carnegie	250	4.8	0.65
Dreyfus New Jersey Muni MM/Dreyfus	861	5.0	0.16p
Dreyfus New York Tax-Exempt MM/Dreyfus	468	4.5	0.59
Evergreen Tax Exempt MM/Lieber	526	5.5	0.31p
Federated Tax-Free Trust/Federated	1,908	5.0	0.45
Fidelity Conn Municipal MM/Fidelity	414	5.0	0.23p
Fidelity Mich Municipal MM/Fidelity	179	5.1	0.22p
Fidelity Ohio Municipal MM/Fidelity	231	5.2	0.23p
Fidelity Tax-Exempt MM/Fidelity	2,880	5.0	0.44
Freedom Tax-Exempt Money/Freedom	256	4.7	0.59
General Calif Municipal MM/Dreyfus	546	5.3	0.07p
General Municipal MM/Dreyfus	339	5.0	0.62
General NY Municipal MM/Dreyfus	528	5.0	0.00p
Kemper Money Market–Tax-Ex/Kemper	795	5.1	0.38
Nuveen Tax-Exempt MM/Nuveen	2,169	5.2	0.39
Parkstone Tax-Free Fund/Winsbury	140	4.6	0.57p
Schwab Money Funds–Tax-Ex/Schwab	1,200	4.8	0.63p
Spartan California Muni MM/Fidelity	769	5.1	0.07p
Spartan New Jersey Muni MM/Fidelity	318	5.2	0.06p
Spartan New York Muni MM/Fidelity	454	5.0	0.25p
Spartan Pennsylvania Muni MM/Fidelity	304	5.3	0.35p
SteinRoe Tax-Exempt Money/Stein Roe	238	4.7	0.69
Tax-Free Instruments Trust/Federated	1,145	4.9	0.55p
Tax-Free Money Fund/Smith Barney	1,250	4.8	0.52
USAA Tax-Exempt–Calif MM/USAA	207	5.0	0.50p
USAA Tax-Exempt–Money Market/USAA	1,548	5.5	0.40
UST Master Tax-Ex–Short-Term/UST Secs	607	5.1	0.53
Vanguard California T-F–MM/Vanguard	753	4.9	0.25
Vanguard Muni Bond–MM/Vanguard	2,760	5.2	0.26
Vanguard NJ Tax-Free–MM/Vanguard	527	5.0	0.24
Vanguard Penn Tax-Free–MM/Vanguard	755	5.0	0.24

p: Net of absorption of expenses by fund sponsor.

Fund distributors

Firms that market mutual funds are listed below. A fund without a distributor is listed under the name of the fund itself. Contact the distributor to get the prospectus, the most recent shareholder report and additional information. Your stockbroker may have literature on funds with sales loads. Closed-end funds trade like stocks and do not have distributors.

Fund	Symbol
Balanced	BA
Foreign Stock	FS
Global Bond	GB
Global Stock	GS
Junk Bond	JU
Money Market	MM
Municipal Bond	MU
Stock	ST
Taxable Bond	BD



Patrick McDonnell

Fund	Type
AAL Capital Management 222 West College Avenue Appleton, WI 54919-0007 (800) 553-6319	
AAL Capital Growth Fund	ST
AAL Income Fund	BD
AAL Municipal Bond Fund	MU
ABT Financial Services 205 Royal Palm Way Palm Beach, FL 33480 (800) 289-2281	
ABT Growth & Income Trust	ST
ABT Utility Income Fund	ST
Acorn Fund 2 North LaSalle Street Suite 500 Chicago, IL 60602-3790 (800) 922-6769	
Acorn Fund	ST

Fund	Type
Addison Capital Fund 1601 Market Street Philadelphia, PA 19103 (800) 526-6397	
Addison Capital Fund	ST
Advest Group 280 Trumbull Street Hartford, CT 06103 (800) 842-3807 (local); (800) 243-8115	
Advantage Government Securities	BD
Advantage Growth Fund	ST
Advantage Income Fund	BA
Aegon Management 4333 Edgewood Road NE Cedar Rapids, IA 52499 (800) 288-2346	
Aegon USA Growth	ST
AFA Distributors 50 Broad Street New York, NY 10004 (800) 229-8108	
AFA–Natl Aviation & Technology	ST
AFA–Natl Telecommun & Technology	ST

Fund	Type
AIM Distributors 11 Greenway Plaza Suite 1919 Houston, TX 77046 (800) 347-1919	
Aim Equity–Charter Fund	ST
Aim Equity–Constellation Fund	ST
Aim Equity–Weingarten Fund	ST
Aim Limited Maturity Treasury Shs	BD
Aim Summit Fund	ST
Fred Alger & Co 75 Maiden Lane New York, NY 10038 (800) 992-3863	
Alger Fund–Small Capitalization	ST
Alliance Fund Services 500 Plaza Drive Secaucus, NJ 07094 (800) 221-5672	
Alliance Balanced Shares	BA
Alliance Bond–High Yield	JU
Alliance Bond–US Government	BD
Alliance Counterpoint Fund	ST
Alliance Fund	ST

Fund	Type
Alliance Global–Small Cap Fund	ST
Alliance Growth & Income	ST
Alliance International Fund	FS
Alliance Mortgage Securities Income	BD
Alliance Muni Income–California	MU
Alliance Muni Income–Ins Natl	MU
Alliance Muni Income–National	MU
Alliance Muni Income–New York	MU
Alliance New Europe Fund	FS
Alliance Quasar Fund	ST
Alliance Short-Term Multi-Market	GB
Alliance Technology Fund	ST
AMA Investment Advisers PO Box 1111 Blue Bell, PA 19422 (800) 523-0864	
AMA Family of Funds–Classic Growth	ST
AMA Family of Funds–Global Growth	GS
American Capital Marketing 2800 Post Oak Boulevard Houston, TX 77056 (800) 421-5666	
American Capital Comstock Fund	ST
American Capital Corp Bond Fund	BD
American Capital Emerging Growth	ST
American Capital Enterprise Fund	ST
American Capital Equity Income	BA
American Capital Government Secs	BD
American Capital Growth & Income	ST
American Capital Harbor Fund	BA
American Capital High Yield Inv	JU
American Capital Muni Bond Fund	MU
American Capital Pace Fund	ST
American Capital Tax-Ex–High Yld	MU
American Funds Group 333 South Hope Street Los Angeles, CA 90071 (714) 671-7000* (local); (800) 421-0180	
Amcap Fund	ST
American Balanced Fund	BA
American High-Income Trust	JU
American Mutual Fund	ST
Bond Fund of America	BD
Capital Income Builder	ST
Capital World Bond Fund	GB
EuroPacific Growth Fund	FS
Fundamental Investors	ST
Growth Fund of America	ST
Income Fund of America	BA
Intermediate Bond Fund of America	BD
Investment Co of America	ST
New Economy Fund	ST
New Perspective Fund	GS
Smallcap World Fund	GS
Tax-Exempt Bond Fund of America	MU
Tax-Exempt Fund of California	MU
US Government Securities	BD
Washington Mutual Investors	ST

Fund	Type
American Growth Fund Sponsors 410 17th Street Suite 800 Denver, CO 80202 (303) 623-6137* (local); (800) 525-2406	
American Growth Fund	ST
American Investors PO Box 2500 Greenwich, CT 06836 (800) 243-5353	
American Investors Growth Fund	ST
American Pension Distributors PO Box 2529 Lynchburg, VA 24501 (800) 544-6060	
API Trust–Growth	ST
AMEV Investors 500 Bielenberg Drive Woodbury, MN 55125 (612) 738-4000* (local); (800) 800-2638	
AMEV Advantage–Asset Allocation	BA
AMEV Capital Fund	ST
AMEV Fiduciary Fund	ST
AMEV Growth Fund	ST
AMEV US Govt Securities Fund	BD
Amway Management Co 7575 East Fulton Road Ada, MI 49355 (800) 346-2670	
Amway Mutual Fund	ST
Analytic Optioned Equity Fund 2222 Martin Street Suite 230 Irvine, CA 92715 (714) 833-0294*	
Analytic Optioned Equity Fund	ST
Angeles Securities 10301 West Pico Boulevard Los Angeles, CA 90064 (213) 277-4900* (local); (800) 421-4374	
FPA Capital Fund	ST
FPA Paramount Fund	ST
FPA Perennial Fund	ST
Aquila Distributors 380 Madison Avenue Suite 2300 New York, NY 10017 (800) 228-4227	
Hawaiian Tax-Free Trust	MU
Tax-Free Fund of Colorado	MU
Tax-Free Trust of Arizona	MU
Tax-Free Trust of Oregon	MU

Fund	Type
Associated Planners Security 1925 Century Park East Suite 1900 Los Angeles, CA 90067 (213) 553-6740 (local); (800) 950-2748	
Associated Planners Stock Fund	ST
Bailard, Biehl & Kaiser 2755 Campus Drive Suite 300 San Mateo, CA 94403 (800) 882-8383	
Bailard Biehl & Kaiser Diversa Fund	GS
Robert W Baird & Co 777 East Wisconsin Avenue Milwaukee, WI 53202 (800) 792-2473	
Baird Blue Chip Fund	ST
Baron Asset Fund 450 Park Avenue Suite 2802 New York, NY 10022 (800) 992-2766	
Baron Asset Fund	ST
Bartlett Capital Trust 36 East Fourth Street Cincinnati, OH 45202 (513) 621-4612 (local); (800) 800-4612	
Bartlett Capital Trust–Basic Value	ST
Bartlett Capital Trust–Fixed Income	BD
Baxter Financial 1200 North Federal Highway Suite 424 Boca Raton, FL 33432 (800) 749-9933	
Philadelphia Fund	ST
Benham Capital Management 1665 Charleston Road Mountain View, CA 94043 (800) 472-3389	
Benham Calif Tax-Free–Intermediate	MU
Benham Calif Tax-Free–Long-Term	MU
Benham GNMA Income	BD
Benham Gold Equities Index	GS
Benham Government Agency Fund	MM
Benham Target Maturities–2005	BD
Benham Target Maturities–2015	BD
Benham Treasury Note Fund	BD
Capital Preservation Fund	MM
Berger Associates 899 Logan Street Suite 211 Denver, CO 80203 (800) 333-1001	
Berger One Hundred Fund	ST

*Will accept collect calls.

Fund	Type
Sanford C Bernstein & Co	
767 Fifth Avenue	
New York, NY 10153	
(212) 750-4097*	
Bernstein Diversified Muni	MU
Bernstein Govt Short Duration	BD
Bernstein Intermediate Duration	BD
Bernstein New York Muni	MU
Bernstein Short Duration Plus	BD
William Blair	
PO Box 8500	
Boston, MA 02266-8500	
(800) 635-2886	
Wm Blair–Growth	ST
Boston Co Funds Distributor	
One Boston Place	
Boston, MA 02108	
(800) 225-5267	
Boston Co Capital Appreciation Fund	ST
Boston Co Inv–International	FS
Boston Co Special Growth Fund	ST
Brandywine Fund	
PO Box 4166	
Greenville, DE 19807	
(302) 656-6200 (local) ; (800) 338-1579	
Brandywine Fund	ST
Clayton Brown & Associates	
500 West Madison	
Suite 3000	
Chicago, IL 60661-2511	
(800) 621-4770	
First Trust Fund–US Government	BD
Alex Brown & Sons	
135 East Baltimore Street	
Baltimore, MD 21202	
(800) 767-3524	
Flag Investors Emerging Growth	ST
Flag Investors International Trust	FS
Flag Investors Quality Growth Fund	ST
Flag Investors Telephone Income	ST
Flag Investors Total Return US Treas	BD
Bull & Bear Group	
11 Hanover Square	
New York, NY 10005	
(800) 847-4200	
Bull & Bear Capital Growth Fund	ST
Bull & Bear Gold Investors Fund	BA
Burnham Securities	
1345 Avenue of the Americas	
32nd Floor	
New York, NY 10105	
(800) 874-3863	
Burnham Fund	ST
Fenimore International Fund–Equity	FS

Fund	Type
California Investment Trust	
44 Montgomery Street	
Suite 2200	
San Francisco, CA 94104	
(800) 225-8778	
California Tax-Free Income Fund	MU
Calvert Group	
1700 Pennsylvania Avenue NW	
Washington, DC 20006	
(800) 368-2748	
Calvert-Ariel Appreciation Fund	ST
Calvert-Ariel Growth Fund	ST
Calvert Social Inv–Equity	ST
Calvert Social Inv–Managed Growth	BA
Calvert Tax-Free Reserves–California	MM
Calvert Tax-Free Reserves–Limited	MU
Capstone Asset Planning Co	
PO Box 3167	
Houston, TX 77253-3167	
(713) 750-8000 (local) ; (800) 262-6631	
US Trend Fund	ST
Cardinal Group of Funds	
155 East Broad Street	
Mezzanine Level	
Columbus, OH 43215	
(614) 464-6852 (local) ; (800) 848-7734	
Cardinal Fund	ST
Cardinal Government Obligations	BD
Carnegie Fund Distributors	
1228 Euclid Avenue	
Cleveland, OH 44115	
(800) 321-2322	
Carnegie-Cappiello–Growth	ST
Carnegie-Cappiello–Total Return	ST
Carnegie Tax-Free Income Trust	MM
Century Shares Trust	
One Liberty Square	
Boston, MA 02109	
(617) 482-3060* (local) ; (800) 321-1928	
Century Shares Trust	ST
Cigna Securities	
S-323	
Hartford, CT 06152	
(800) 572-4462	
Cigna Growth Fund	ST
Cigna High Yield Fund	JU
Cigna Income Fund	BD
Cigna Municipal Bond Fund	MU
Cigna Utilities Fund	ST
Cigna Value Fund	ST

Fund	Type
Colonial Investment Services	
One Financial Center	
Boston, MA 02111	
(800) 225-2365	
Colonial Advanced Strategies Gold	GS
Colonial California Tax-Exempt	MU
Colonial Fund	BA
Colonial Government Securities Plus	BD
Colonial Growth Shares Trust	ST
Colonial High Yield Securities Trust	JU
Colonial Income Trust	BD
Colonial Massachusetts Tax-Exempt	MU
Colonial Small Stock Index Trust	ST
Colonial Strategic Inc–Diversified	BA
Colonial Tax-Exempt Fund	MU
Colonial Tax-Exempt Insured Fund	MU
Colonial US Equity Index Trust	ST
Colonial US Government Trust	BD
Colonial VIP Equity–Diversified Ret	ST
Columbia Funds Management Co	
PO Box 1350	
Portland, OR 97207-1350	
(800) 547-1707	
Columbia Daily Income Co	MM
Columbia Fixed Income Securities	BD
Columbia Growth Fund	ST
Columbia Municipal Bond Fund	MU
Columbia Special Fund	ST
Common Sense Distributors	
3120 Breckinridge Boulevard	
Building 400	
Duluth, GA 30199-0001	
(800) 544-5445	
Common Sense–Government	BD
Common Sense–Growth	ST
Common Sense–Growth & Income	ST
Concord Financial Group	
156 West 56th Street	
Suite 1902	
New York, NY 10019	
(800) 367-6078	
Pacific Horizon–Aggressive Growth	ST
Pacific Horizon–Calif Tax-Ex Bond	MU
Pacific Horizon–Prime	MM
Pacific Horizon–Treasury	MM
Copley Financial Services Corp	
PO Box 3287	
Fall River, MA 02722	
(508) 674-8459*	
Copley Fund	ST

*Will accept collect calls.

Fund	Type
Counsellors Securities 466 Lexington Avenue New York, NY 10017-3147 (212) 878-0600 (local) ; (800) 888-6878	
Counsellors Capital Appreciation	ST
Counsellors Emerging Growth Fund	ST
Counsellors International Equity	FS
Country Capital Management Co PO Box 2222 Bloomington, IL 61701 (309) 557-3790	
Country Capital Growth Fund	ST
Cowen & Co Financial Square New York, NY 10005 (212) 495-6000 (local) ; (800) 221-5616	
Cowen Income + Growth Fund	ST
Dean Witter Reynolds Two World Trade Center InterCapital Division, 71st Floor New York, NY 10048 (800) 869-3863	
Dean Witter American Value Fund	ST
Dean Witter Calif Tax-Free Income	MU
Dean Witter Capital Growth Secs	ST
Dean Witter Convertible Secs	BA
Dean Witter Developing Growth Secs	ST
Dean Witter Dividend Growth Secs	ST
Dean Witter European Growth Fund	FS
Dean Witter Government Secs Plus	BD
Dean Witter High Yield Secs	JU
Dean Witter Intermediate Income	BD
Dean Witter Managed Assets	BA
Dean Witter Natural Resource Devel	ST
Dean Witter NY Tax-Free Income	MU
Dean Witter Option Income Trust	ST
Dean Witter Strategist	BA
Dean Witter Tax-Exempt Securities	MU
Dean Witter US Govt Securities	BD
Dean Witter Utilities Fund	ST
Dean Witter Value-Added Mkt–Equity	ST
Dean Witter World Wide Income	GB
Dean Witter World Wide Investment	GS
Delaware Distributors 10 Penn Center Plaza Philadelphia, PA 19103 (800) 523-4640	
Delaware Group Decatur Fund–I	ST
Delaware Group Decatur Fund–II	ST
Delaware Group Delaware Fund	BA
Delaware Group DelCap Fund–I	ST
Delaware Group Delchester H-Y–I	JU
Delaware Group Delchester H-Y–II	JU
Delaware Group Govt–Govt Inc II	BD
Delaware Group Tax-Free–USA	MU
Delaware Group Trend Fund	ST
DMC Tax-Free Income Trust–PA	MU

Fund	Type
Diversified Securities PO Box 357 Long Beach, CA 90801 (800) 732-1733	
Investors Research Fund	ST
Dodge & Cox One Sansome Street 35th Floor San Francisco, CA 94104 (415) 434-0311	
Dodge & Cox Balanced Fund	BA
Dodge & Cox Stock Fund	ST
Dreyfus Service Corp 144 Glenn Curtiss Boulevard Uniondale, NY 11556-0144 (800) 645-6561	
Dreyfus 100% US Treasury MM	MM
Dreyfus A Bonds Plus	BD
Dreyfus California Tax-Exempt Bond	MU
Dreyfus Capital Value Fund	ST
Dreyfus Convertible Securities Fund	BA
Dreyfus Fund	ST
Dreyfus GNMA Fund	BD
Dreyfus Growth Opportunity Fund	ST
Dreyfus Insured Municipal Bond	MU
Dreyfus Intermediate Muni Bond	MU
Dreyfus Leverage Fund	ST
Dreyfus Liquid Assets	MM
Dreyfus Massachusetts Tax-Ex Bond	MU
Dreyfus New Jersey Municipal Bond	MU
Dreyfus New Jersey Municipal MM	MM
Dreyfus New Leaders Fund	ST
Dreyfus NY Insured Tax-Exempt Bond	MU
Dreyfus NY Tax-Exempt Bond Fund	MU
Dreyfus NY Tax-Exempt Intermed Bond	MU
Dreyfus Peoples Index Fund	ST
Dreyfus Strategic Aggressive Inv	ST
Dreyfus Strategic Investing	ST
Dreyfus Strategic World Investing	GS
Dreyfus Tax-Exempt Bond Fund	MU
Dreyfus Third Century Fund	ST
Dreyfus Worldwide Dollar MM	MM
General Aggressive Growth	ST
General California Municipal Bond	MU
General California Municipal MM	MM
General Municipal Bond	MU
General Municipal Money Market	MM
General NY Municipal Bond	MU
General NY Municipal MM	MM
Premier California Municipal Bond	MU
Premier Municipal Bond	MU
Premier State Municipal–Conn	MU
Premier State Municipal–Florida	MU
Premier State Municipal–Maryland	MU
Premier State Municipal–Michigan	MU
Premier State Municipal–Ohio	MU
Premier State Municipal–Penn	MU

Fund	Type
Dupree Investment Advisors PO Box 1149 Lexington, KY 40589 (800) 866-0614	
Dupree–Kentucky Tax-Free Income	MU
Eaton Vance Distributors 24 Federal Street Boston, MA 02110 (800) 225-6265	
Eaton Vance California Municipals	MU
Eaton Vance Equity-Income Trust	ST
Eaton Vance Government Obligations	BD
Eaton Vance Growth Fund	ST
Eaton Vance High Income Trust	BA
Eaton Vance Income Fund of Boston	BA
Eaton Vance Investors Fund	BA
Eaton Vance National Municipals	MU
Eaton Vance Prime Rate Reserves	BD
Eaton Vance Special Equities Fund	ST
Eaton Vance Stock Fund	ST
Eaton Vance Total Return Trust	ST
Eclipse Financial Services PO Box 2196 Peachtree City, GA 30269 (404) 631-0414* (local) ; (800) 872-2710	
Eclipse Financial Asset–Equity	ST
Enterprise Fund Distributors 1200 Ashwood Parkway Suite 290 Atlanta, GA 30338 (800) 432-4320	
Enterprise Group–Growth	ST
Enterprise Group–Growth & Income	ST
EQSF Advisers 767 Third Avenue 5th Floor New York, NY 10017 (212) 888-6685 (local) ; (800) 834-3400	
Equity Strategies Fund	ST
Equitable Funds 1755 Broadway Location 3D New York, NY 10019 (800) 852-6860	
Equitable Funds–Growth	ST
Equity Services National Life Drive Montpelier, VT 05604 (802) 229-3900* (local) ; (800) 233-4332	
Sentinel Balanced Fund	BA
Sentinel Common Stock Fund	ST
Sentinel Growth Fund	ST

*Will accept collect calls.

Fund	Type
Fairfield Group	
200 Gibraltar Road	
Horsham, PA 19044	
(215) 443-7850 (local) ; (800) 441-3885	
St Clair Equity–Capital Growth Fund	ST
FBL Investment Advisory Services	
5400 University Avenue	
West Des Moines, IA 50265	
(800) 247-4170	
FBL–Growth Common Stock	ST
Federated Securities Corp	
Federated Investors Tower	
17th Floor	
Pittsburgh, PA 15222-3779	
(800) 245-5000	
American Leaders Fund	ST
Federated GNMA Trust	BD
Federated Growth Trust	ST
Federated High Yield Trust	JU
Federated Income Trust	BD
Federated Intermediate Government	BD
Federated Intermediate Municipal	MU
Federated Short-Intermediate Govt	BD
Federated Stock & Bond Fund	BA
Federated Stock Trust	ST
Federated Tax-Free Income Fund	MU
Federated Tax-Free Trust	MM
Fortress Municipal Income Fund	MU
Fortress Utility Fund	ST
Fund for US Govt Securities	BD
Government Income Securities	BD
International Equity Fund	FS
Liberty High Income Bond Fund	JU
Liberty Utility Fund	ST
Salem Funds–Fixed Income	BD
Salem Funds–Growth	ST
Tower–Capital Appreciation	ST
Fidelity Distributors Corp	
Devonshire Street	
Boston, MA 02109	
(800) 544-8888	
Fidelity Asset Manager	BA
Fidelity Balanced Fund	BA
Fidelity Blue Chip Growth Fund	ST
Fidelity Calif Tax-Free Insured	MU
Fidelity Calif Tax-Free High Yield	MU
Fidelity Capital & Income Fund	JU
Fidelity Capital Appreciation	ST
Fidelity Connecticut Muni MM	MM
Fidelity Contrafund	ST
Fidelity Convertible Securities Fund	BA
Fidelity Daily Income Trust	MM
Fidelity Destiny Portfolio II	ST
Fidelity Disciplined Equity	ST
Fidelity Equity-Income Fund	ST
Fidelity Europe Fund	FS
Fidelity Flexible Bond Port	BD
Fidelity Fund	ST
Fidelity Ginnie Mae	BD
Fidelity Global Bond Fund	GB
Fidelity Government Securities Fund	BD
Fidelity Growth & Income	ST
Fidelity Growth Company	ST
Fidelity Intermediate Bond Fund	BD
Fidelity Intl Growth & Income	FS
Fidelity Low-Priced Stock Fund	ST
Fidelity Magellan Fund	ST
Fidelity Mass Tax-Free High Yield	MU
Fidelity Michigan Municipal MM	MM
Fidelity Michigan Tax-Free High Yield	MU
Fidelity Minnesota Tax-Free	MU
Fidelity Mortgage Securities	BD
Fidelity NY Tax-Free High Yield	MU
Fidelity NY Tax-Free Insured	MU
Fidelity Ohio Municipal MM	MM
Fidelity Ohio Tax-Free High Yield	MU
Fidelity OTC Portfolio	ST
Fidelity Overseas Fund	FS
Fidelity Pacific Basin Fund	FS
Fidelity Puritan Fund	BA
Fidelity Real Estate Investment	ST
Fidelity Retirement Growth	ST
Fidelity Select–American Gold	GS
Fidelity Select–Biotechnology	ST
Fidelity Select–Chemicals	ST
Fidelity Select–Energy	ST
Fidelity Select–Energy Service	ST
Fidelity Select–Environment Service	ST
Fidelity Select–Financial Services	ST
Fidelity Select–Food & Agriculture	ST
Fidelity Select–Health Care	ST
Fidelity Select–Leisure	ST
Fidelity Select–Medical Delivery	ST
Fidelity Select–Paper & Forest Prods	ST
Fidelity Select–Prec Metals & Mins	FS
Fidelity Select–Regional Banks	ST
Fidelity Select–Retailing	ST
Fidelity Select–Technology	ST
Fidelity Select–Telecommunications	ST
Fidelity Select–Utilities	ST
Fidelity Short-Term Bond Port	BD
Fidelity Special Situations–Plymouth	ST
Fidelity Tax-Exempt Money Market	MM
Fidelity Tax-Free–Aggressive	MU
Fidelity Tax-Free–High Yield	MU
Fidelity Tax-Free–Insured	MU
Fidelity Tax-Free–Ltd Term Munis	MU
Fidelity Tax-Free–Municipal Bond	MU
Fidelity Trend Fund	ST
Fidelity Utilities Income	ST
Fidelity Worldwide Fund	GS
Plymouth Growth Opportunities	ST
Plymouth Income & Growth	BA
Spartan California Muni High Yield	MU
Spartan California Muni MM	MM
Spartan Connecticut Muni High Yield	MU
Spartan Government Income Fund	BD
Spartan Limited Maturity Govt	BD
Spartan Market Index Fund	ST
Spartan Money Market Fund	MM
Spartan Municipal Income	MU
Spartan New Jersey Muni High Yield	MU
Spartan New Jersey Muni MM	MM
Spartan New York Muni High Yield	MU
Spartan New York Muni MM	MM
Spartan Pennsylvania Muni High Yield	MU
Spartan Pennsylvania Muni MM	MM
Spartan US Government MM	MM
Spartan US Treasury MM Fund	MM
Fiduciary Management	
225 East Mason Street	
Milwaukee, WI 53202	
(414) 226-4556* (local) ; (800) 338-1579	
Fiduciary Capital Growth Fund	ST
First Eagle Fund of America	
45 Broadway	
New York, NY 10006	
(800) 451-3623	
First Eagle Fund of America	ST
First Investors Management Co	
95 Wall Street	
New York, NY 10005	
(908) 855-2500 (local) ; (800) 423-4026	
First Investors Blue Chip	ST
First Investors Fund for Income	JU
First Investors Global Fund	GS
First Investors Government Fund	BD
First Investors High Yield Fund	JU
First Investors Insured Tax-Exempt	MU
First Investors NY Insured T-F	MU
First Investors Total Return Fund	BA
Flagship Financial	
One First National Plaza	
Suite 910	
Dayton, OH 45402	
(800) 227-4648	
Flagship Tax-Ex–Conn Double	MU
Flagship Tax-Ex–Florida Double	MU
Flagship Tax-Ex–Kentucky Triple	MU
Flagship Tax-Ex–Michigan Triple	MU
Flagship Tax-Ex–NC Triple	MU
Flagship Tax-Ex–Ohio Double	MU

*Will accept collect calls.

Fund	Type
Flex Funds	
PO Box 7177	
Dublin, OH 43017	
(800) 325-3539	
Flex-funds–Growth Fund	ST
Flex-funds–Muirfield Fund	ST
Founders Asset Management	
2930 East Third Avenue	
Denver, CO 80206	
(800) 525-2440	
Founders Blue Chip	ST
Founders Frontier Fund	ST
Founders Growth Fund	ST
Founders Special Fund	ST
Franklin Distributors	
777 Mariner's Island Boulevard	
6th Floor	
San Mateo, CA 94404-1585	
(800) 342-5236	
Franklin Adj US Govt Securities	BD
Franklin AGE High Income Fund	JU
Franklin Arizona Tax-Free Income	MU
Franklin Calif Insured Tax-Free Inc	MU
Franklin Calif Tax-Free Income	MU
Franklin DynaTech Fund	ST
Franklin Equity Fund	ST
Franklin Federal Tax-Free Income	MU
Franklin Florida Tax-Free Income	MU
Franklin Global Opportunity Income	GB
Franklin Gold Fund	FS
Franklin Growth Fund	ST
Franklin High Yield Tax-Free Income	MU
Franklin Income Fund	BA
Franklin Insured Tax-Free Income	MU
Franklin Mass Insured Tax-Free Inc	MU
Franklin Mich Insured Tax-Free Inc	MU
Franklin Minn Insured Tax-Free Inc	MU
Franklin New Jersey Tax-Free Inc	MU
Franklin New York Tax-Free Inc	MU
Franklin Ohio Insured Tax-Free Income	MU
Franklin Oregon Tax-Free Income	MU
Franklin Penn Tax-Free Income	MU
Franklin Premier Return Fund	ST
Franklin PR Tax-Free Income Fund	MU
Franklin Rising Dividends	ST
Franklin Tax-Exempt Money Fund	MM
Franklin US Government Securities	BD
Franklin Utilities Fund	ST
Franklin Virginia Tax-Free Income	MU

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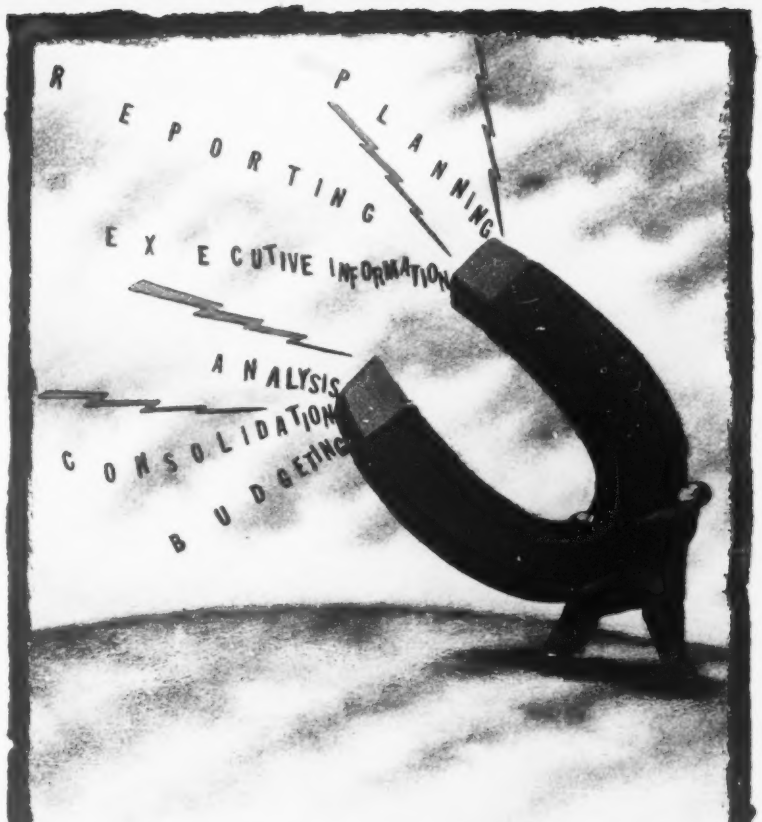

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Fund	Type
Freedom Capital Management Corp	
One Beacon Street	
4th Floor	
Boston, MA 02108	
(800) 225-6258	
Freedom Inv–Gold & Government	ST
Freedom Inv–Government Income	BD
Freedom Inv–Managed Tax-Exempt	MU
Freedom Inv–Regional Bank	ST
Freedom Inv II–Global Fund	GS
Freedom Inv II–Global Income	GB
Freedom Inv III–Environmental	ST
Freedom Tax-Exempt Money	MM
Fund/Plan Services	
PO Box 874	
Conshohocken, PA 19428	
(800) 225-8011	
Neuwirth Fund	ST
Pine Street Fund	ST
Winthrop Focus Funds–Growth	ST
Fundamental Services	
111 Broadway	
Suite 1107	
New York, NY 10006	
(800) 225-6864	
New York Muni Fund	MU
Furman Selz	
230 Park Avenue	
New York, NY 10169	
(800) 845-8406	
Westwood Fund	ST
Gabelli & Co	
PO Box 1634	
Grand Central Station	
New York, NY 10163	
(800) 422-3554	
Gabelli Asset Fund	ST
Gabelli Convertible Securities Fund	BA
Gabelli Growth Fund	ST
Gabelli Value Fund	ST
GAM Funds	
135 East 57th Street	
29th Floor	
New York, NY 10022	
(617) 482-9300*	
GAM Global Fund	GS
GAM International Fund	FS
GAM Pacific Basin Fund	FS
Gateway Investment Advisers	
400 Technecenter Drive	
Suite 220	
Milford, OH 45150	
(800) 354-6339	
Gateway Index Plus Fund	ST

Fund	Type
Gintel & Co	
6 Greenwich Office Park	
Greenwich, CT 06831	
(203) 622-6400* (local) ; (800) 243-5808	
Gintel Capital Appreciation Fund	ST
Gintel Erisa Fund	ST
GIT Investment Services	
1655 North Fort Myer Drive	
Arlington, VA 22209	
(800) 336-3063	
GIT Equity Trust–Special Growth	ST
GNA Investors Trust	
Two Union Square	
Suite 5600	
Seattle, WA 98101-2336	
(800) 426-5520	
GNA Investors–US Govt Secs	BD
Gradison & Co	
580 Walnut Street	
Cincinnati, OH 45202	
(800) 869-5999	
Gradison Established Growth Fund	ST
Gradison Government Income Fund	BD
Gradison Opportunity Growth Fund	ST
Great Western Financial Advisors	
888 South Figueroa Street	
Suite 1100	
Los Angeles, CA 90017	
(800) 221-9876	
GW Sierra–California Municipal Inc	MU
GW Sierra–Growth & Income Fund	ST
GW Sierra–US Government Securities	BD
GT Global Financial Services	
50 California Street	
27th Floor	
San Francisco, CA 94111-4624	
(415) 392-6181* (local) ; (800) 548-9995	
GT Global Growth–America	ST
GT Global Growth–Europe	FS
GT Global Growth–International	FS
GT Global Growth–Japan	FS
GT Global Growth–Pacific	FS
GT Global Growth–Worldwide	GS
GT Global Healthcare Fund	GS
GT Investment–Global Bond	GB
GT Investment–Global Govt Income	BD
Guardian Investor Services Corp	
201 Park Avenue South	
New York, NY 10003	
(800) 221-3253	
Guardian Park Ave Fund	ST

Fund	Type
John Hancock Advisors	
101 Huntington Avenue	
6th Floor	
Boston, MA 02199	
(617) 375-1800 (local) ; (800) 225-5291	
John Hancock Bond Fund	BD
John Hancock Global Fund	GS
John Hancock Government Spectrum	BD
John Hancock Growth Fund	ST
John Hancock Tax-Exempt Income	MU
John Hancock US Govt Securities	BD
HCA Securities	
One SeaGate	
Toledo, OH 43666	
(419) 247-2477 (local) ; (800) 422-1050	
Harbor Capital Appreciation	ST
Harbor Growth Fund	ST
Harbor International	FS
Harbor Value	ST
Heine Securities	
51 John F Kennedy Parkway	
Short Hills, NJ 07078	
(201) 912-2100* (local) ; (800) 448-3863	
Mutual Series Fund–Beacon	ST
Mutual Series Fund–Mutual Shares	ST
Mutual Series Fund–Qualified	ST
Heritage Asset Management	
880 Carillon Parkway	
St Petersburg, FL 33716	
(813) 573-8143 (local) ; (800) 421-4184	
Heritage Capital Appreciation	ST
Wayne Hummer & Co	
175 West Jackson Boulevard	
Chicago, IL 60604	
(312) 431-1700* (local) ; (800) 621-4477	
Wayne Hummer Growth Fund	ST
Huntington Investments	
251 South Lake Avenue	
Suite 600	
Pasadena, CA 91101	
(818) 440-9688 (local) ; (800) 826-0188	
International Currency–Global	GB
International Currency–Hard Currency	GB
International Currency–High Income	GB
IAI Funds	
PO Box 357	
Minneapolis, MN 55440	
(612) 371-2884 (local) ; (800) 927-3863	
IAI Bond Fund	BD
IAI International Fund	FS
IAI Regional Fund	ST
IAI Stock Fund	ST

*Will accept collect calls.

Fund	Type
Idex Management	
PO Box 5068	
Clearwater, FL 34618	
(813) 585-6565 (local) ; (800) 624-4339	
IDEX Fund	ST
IDEX II	ST
IDEX Fund 3	ST
IDS Financial Services	
IDS Tower 10	
Minneapolis, MN 55440	
(612) 372-3733 (local) ; (800) 328-8300	
IDS Blue Chip Advantage Fund	ST
IDS Bond Fund	BD
IDS California Tax-Exempt Fund	MU
IDS Discovery Fund	ST
IDS Equity Plus	ST
IDS Extra Income Fund	JU
IDS Federal Income Fund	BD
IDS Global Bond Fund	GB
IDS Global Growth Fund	GS
IDS Growth Fund	ST
IDS High Yield Tax-Exempt Fund	MU
IDS Insured Tax-Exempt Fund	MU
IDS International Fund	FS
IDS Managed Retirement Fund	ST
IDS Minnesota Tax-Exempt Fund	MU
IDS Mutual	BA
IDS New Dimensions Fund	ST
IDS Precious Metals Fund	FS
IDS Progressive Fund	ST
IDS Selective Fund	BD
IDS Stock Fund	ST
IDS Strategy–Aggressive Equity	ST
IDS Strategy–Equity	ST
IDS Strategy–Income	BD
IDS Strategy–Worldwide Growth	FS
IDS Tax-Exempt Bond Fund	MU
IDS Utilities Income	ST
Invesco Funds Group	
PO Box 2040	
Denver, CO 80201	
(303) 779-1233 (local) ; (800) 525-8085	
Financial Dynamics Fund	ST
Financial Industrial Fund	ST
Financial Industrial Income Fund	ST
Financial Series Trust–Equity Fund	ST
Financial Series Trust–Flex Fund	ST
Financial Series Trust–Intl Growth	FS
Financial Strategic–European	FS
Financial Strategic–Financial Services	ST
Financial Strategic–Gold	ST
Financial Strategic–Health Science	ST
Financial Strategic–Technology	ST
Financial Strategic–Utilities	ST
Financial Tax-Free Income Shares	MU

*Will accept collect calls.

Vanguard Municipal Bond Fund

SEVEN WAYS TO FIGHT BACK AGAINST TAXES

When Federal taxes make inroads on your income, municipal bond funds can be your first line of defense. The income from these bonds is 100% free from Federal income tax.*

Tax-free investing with Vanguard means greater flexibility for you.

Vanguard Municipal Bond Fund has seven professionally managed Portfolios:

Money Market Portfolio invests in short-term, high-quality municipal bonds and has an average weighted maturity of less than 120 days. Principal risk is minimal.

Short-Term Portfolio invests in high-quality municipal bonds and has an average weighted maturity of less than 2 years. Price fluctuations and principal risk should be low.

Limited-Term Portfolio invests in high-quality municipal bonds and has an average weighted maturity of 2 to 5 years. Price fluctuations and principal risk should be moderate.

Intermediate-Term Portfolio invests in high-quality municipal bonds and has an average weighted maturity of 7 to 12 years. Price fluctuations and principal risk are moderate to high.

Long-Term Portfolio invests in high-quality municipal bonds and has an average weighted maturity of 15 to 25 years. Has a high potential for price fluctuations and risk to principal.

Insured Long-Term Portfolio invests in high-quality municipal bonds and has an average weighted maturity of 15 to 25 years. The bonds are covered by insurance, guaranteeing the timely payment of principal and interest, however, principal remains subject to price fluctuations.

High-Yield Portfolio invests primarily in medium-quality, investment-grade issues and has an average weighted maturity of 15 to 25 years. The Portfolio pursues the highest yields of the Fund and has a high potential for price fluctuations and risk to principal.

Lower costs mean higher yields.

The Vanguard Municipal Bond Fund has virtually the lowest operating costs in the industry: 0.25 of 1%**, with no commissions, no fees—a pure no-load fund. And all other things being equal, lower costs result in higher yields. Minimum initial investment $3,000. Free checkwriting for $250 or more.

* Income may be subject to state and local taxes. A portion of income may be subject to the Federal alternative minimum tax.
**Lipper Directors' Analytical Data

Call 1-800-662-SHIP Any Hour, Any Day for Vanguard's free Tax-Free Investing Information Kit.

Please read the fund's prospectus carefully before you invest or send money. It contains complete information on advisory fees, distribution charges and other expenses.

THE Vanguard GROUP OF INVESTMENT COMPANIES sm

FUND DISTRIBUTORS

FUND SURVEY

Fund	Type
ISI 717 Fifth Avenue New York, NY 10022 (800) 955-7175	
ISI Total Return US Treasury	BD
Ivy Fund 40 Industrial Park Road Hingham, MA 02043 (617) 749-1416 (local) ; (800) 235-3322	
Ivy Growth Fund	ST
Ivy International Fund	FS
Janus Capital 100 Fillmore Street Suite 300 Denver, CO 80206-4923 (800) 525-3713	
Janus Fund	ST
Janus Twenty Fund	ST
Janus Venture Fund	ST
Jefferson-Pilot Investor Services PO Box 22086 Greensboro, NC 27420 (919) 691-3448 (local) ; (800) 458-4498	
JP Growth Fund	ST
Jones & Babson 2440 Pershing Road Kansas City, MO 64108 (816) 471-5200 (local) ; (800) 422-2766	
Babson Bond–Portfolio L	BD
Babson Enterprise Fund	ST
Babson Growth Fund	ST
Babson Value Fund	ST
UMB Stock Fund	ST
Kaufmann Fund 17 Battery Place Suite 2624 New York, NY 10004 (212) 344-2661* (local) ; (800) 237-0132	
Kaufmann Fund	ST
Kemper Financial Services 120 South LaSalle Street Chicago, IL 60603 (312) 781-1121* (local) ; (800) 621-1048	
Kemper Blue Chip Fund	ST
Kemper California Tax-Free Income	MU
Kemper Diversified Income Fund	JU
Kemper Environmental Services Fund	ST
Kemper Growth Fund	ST
Kemper High Yield Fund	JU
Kemper Inc & Capital Preservation	BD
Kemper International Fund	FS
Kemper Invest–Diversified Income	BD
Kemper Invest–Equity	ST
Kemper Invest–Government	BD
Kemper Invest–High Yield	JU
Kemper Invest–Total Return	BA
Kemper Money Market–Govt Secs	MM
Kemper Money Market–MM	MM
Kemper Money Market–Tax-Exempt	MM
Kemper Municipal Bond Fund	MU
Kemper New York Tax-Free Fund	MU
Kemper Retirement Fund I	BD
Kemper Summit Fund	ST
Kemper Technology Fund	ST
Kemper Total Return Fund	BA
Kemper US Government Securities	BD
Kemper Securities Group 1331 Euclid Avenue Cleveland, OH 44115 (800) 553-5533	
Selected American Shares	ST
Selected Special Shares	ST
Keystone Distributors PO Box 2121 Boston, MA 02106-2121 (800) 343-2898	
Hartwell Emerging Growth	ST
Keystone America Omega	ST
Keystone America Tax-Free Income	MU
Keystone Custodian B-1	BD
Keystone Custodian B-2	BD
Keystone Custodian B-4	JU
Keystone Custodian K-1	BA
Keystone Custodian K-2	ST
Keystone Custodian S-1	ST
Keystone Custodian S-3	ST
Keystone Custodian S-4	ST
Keystone International Fund	FS
Keystone Precious Metals	FS
Keystone Tax-Exempt Trust	MU
Keystone Tax-Free Fund	MU
Kidder, Peabody & Co 20 Exchange Place New York, NY 10005 (212) 510-5351*	
Kidder, Peabody Equity Income	ST
Kleinwort Benson 200 Park Avenue 24th Floor New York, NY 10166 (212) 687-2515 (local) ; (800) 237-4218	
Kleinwort Benson Intl Equity	FS
Legg Mason Wood Walker 111 South Calvert Street 21st Floor Baltimore, MD 21202 (301) 539-3400* (local) ; (800) 368-2558	
Legg Mason Inc–US Govt Intermediate	BD
Legg Mason Special Investment Trust	ST
Legg Mason Total Return Trust	ST
Legg Mason Value Trust	ST
Lexington Management Corp PO Box 1515 Park 80 West Plaza II Saddle Brook, NJ 07662 (800) 526-0056	
Lexington Corp Leaders Trust Fund	ST
Lexington Global Fund	GS
Lexington GNMA Income Fund	BD
Lexington Goldfund	GS
Lexington Growth & Income Fund	ST
Lexington Worldwide Emerging Mkts	ST
Liberty Securities 600 Atlantic Avenue 23rd Floor Boston, MA 02210-2214 (800) 542-3863	
Liberty Advantage US Govt Secs	BD
Lieber & Co 2500 Westchester Avenue Purchase, NY 10577 (914) 694-2020 (local) ; (800) 235-0064	
Evergreen Fund	ST
Evergreen Limited Market Fund	ST
Evergreen Tax Exempt MM	MM
Evergreen Total Return Fund	ST
Evergreen Value Timing Fund	ST
Lincoln Investment Planning 218 Glenside Avenue Wyncote, PA 19095-1595 (215) 887-8111 (local) ; (800) 242-1421	
Rightime Blue Chip Fund	ST
Rightime Fund	ST
Rightime Growth Fund	ST
Lindner Management Corp PO Box 11208 St Louis, MO 63105 (314) 727-5305	
Lindner Dividend Fund	ST
Lindner Fund	ST
Lord Abbett & Co 767 Fifth Avenue 11th Floor New York, NY 10153-0203 (800) 821-5129 (local) ; (800) 223-4224	
Affiliated Fund	ST
Lord Abbett Bond-Debenture Fund	JU
Lord Abbett Calif Tax-Free Income	MU
Lord Abbett Developing Growth	ST
Lord Abbett Equity Fund-1990	BA
Lord Abbett Global Fund–Equity	GS
Lord Abbett Tax-Free Income–Natl	MU
Lord Abbett Tax-Free Income–New York	MU
Lord Abbett US Government Secs	BD
Lord Abbett Value Appreciation	ST

*Will accept collect calls.

Fund	Type
Lutheran Brotherhood Securities 625 Fourth Avenue South Minneapolis, MN 55415 (800) 328-4552	
Lutheran Brotherhood Fund	ST
Lutheran Brotherhood High Yield	JU
Lutheran Brotherhood Income Fund	BD
Lutheran Brotherhood Muni Bond	MU
Mackenzie Investment Management PO Box 5007 Boca Raton, FL 33431-0807 (800) 456-5111	
Mackenzie American Fund	ST
Mackenzie No Amer Total Return	BA
Mairs & Power 332 Minnesota Street West-2062 First National Bank Building St Paul, MN 55101 (612) 222-8478	
Mairs & Power Growth Fund	ST
Horace Mann Growth Fund One Horace Mann Plaza Springfield, IL 62715 (800) 999-1030	
Horace Mann Growth Fund	ST
Massachusetts Financial Services PO Box 2281 Boston, MA 02107 (800) 225-2606	
Mass Capital Development Fund	ST
Mass Financial Bond Fund	BD
Mass Financial Development Fund	ST
Mass Financial Emerging Growth	ST
Mass Financial High Income–Series I	JU
Mass Financial Special Fund	ST
Mass Financial Total Return Trust	BA
Mass Investors Growth Stock Fund	ST
Mass Investors Trust	ST
MFS Government Income Plus	BD
MFS Government Premium Account	BD
MFS Government Securities	BD
MFS Lifetime Capital Growth Trust	ST
MFS Lifetime Emerging Growth	ST
MFS Lifetime Global Equity Trust	GS
MFS Lifetime Government Income +	BD
MFS Lifetime High Income Trust	JU
MFS Lifetime Intermediate Income	BD
MFS Lifetime Managed Muni Bond	MU
MFS Lifetime Managed Sectors Trust	ST
MFS Lifetime Total Return Trust	ST
MFS Managed High Yield Muni Bond	MU
MFS Managed M-S Tax-Ex–Md	MU
MFS Managed M-S Tax-Ex–Mass	MU
MFS Managed M-S Tax-Ex–NC	MU
MFS Managed M-S Tax-Ex–Va	MU
MFS Managed Municipal Bond	MU
MFS Managed Sectors Trust	ST
MFS Worldwide Governments	GB

Fund	Type
Mathers Fund 100 Corporate North Suite 201 Bannockburn, IL 60015 (800) 962-3863	
Mathers Fund	ST
Merrill Lynch Funds Boston One Financial Center 15th Floor Boston, MA 02111 (800) 225-1576	
Merrill Lynch Government Fund	MM
Merrill Lynch Institutional Fund	MM
Merrill Lynch Funds Distributor PO Box 9011 Princeton, NJ 08543-9011 (800) 637-3863	
Merrill Lynch Balanced Inv & Retire	BA
Merrill Lynch Basic Value Fund	ST
Merrill Lynch Calif Muni Bond	MU
Merrill Lynch Capital Fund	ST
Merrill Lynch Corp–High Income	JU
Merrill Lynch Corp–High Quality	BD
Merrill Lynch Devel Capital Mkts	ST
Merrill Lynch EuroFund	FS
Merrill Lynch Federal Securities	BD
Merrill Lynch Fund for Tomorrow	ST
Merrill Lynch Global Allocation	GS
Merrill Lynch Global Bond Inv & Ret	GB
Merrill Lynch Growth Inv & Retire	ST
Merrill Lynch Intl Holdings	GS
Merrill Lynch Muni–High Yield	MU
Merrill Lynch Muni–Insured	MU
Merrill Lynch Muni–Ltd Maturity	MU
Merrill Lynch Municipal Income	MU
Merrill Lynch Natural Resources	ST
Merrill Lynch NY Muni Bond	MU
Merrill Lynch Pacific Fund	FS
Merrill Lynch Phoenix Fund	BA
Merrill Lynch Retire/Income Fund	BD
Merrill Lynch Retirement Res Money	MM
Merrill Lynch Special Value	ST
Merrill Lynch Strategic Dividend	ST
Sci/Tech Holdings	ST
Merriman Investment Trust 1200 Westlake Avenue North Suite 700 Seattle, WA 98109 (800) 423-4893	
Merriman Timed Asset Allocation	BA
Merriman Timed Capital Apprec	ST

Fund	Type
Mesirow Investment Services 350 North Clark Street Chicago, IL 60610 (800) 458-5222	
Skyline Fund–Special Equities	ST
MetLife–State Street Investment One Financial Center 30th Floor Boston, MA 02111 (800) 882-0052	
MetLife-State Street Capital Apprec	ST
MetLife-State Street Equity Income	ST
MetLife-State Street Equity Inv	ST
MetLife-State Street Global Energy	GS
MetLife-State Street Government Inc	BD
MetLife-State Street High Income	JU
MetLife-State Street Managed Assets	BA
State Street Investment Trust	ST
Murphey Favre West 601 Riverside Avenue Spokane, WA 99201 (800) 543-8072	
Composite Bond & Stock Fund	BA
Composite Growth Fund	ST
Composite Northwest 50 Fund	ST
Composite Tax-Exempt Bond Fund	MU
Composite US Govt Securities	BD
Mutual Benefit Financial Service Co 290 Westminster Street Providence, RI 02903 (800) 323-4726	
Mutual Benefit Fund	ST
Mutual of Omaha Fund Management 10235 Regency Circle Omaha, NE 68114 (800) 228-9596	
Mutual of Omaha Growth Fund	ST
Mutual of Omaha Income Fund	BA
Mutual of Omaha Tax-Free Income	MU
National Securities & Research Corp 2 Pickwick Plaza Greenwich, CT 06830 (800) 223-7757	
California Tax-Exempt Bonds	MU
National Bond Fund	JU
National Federal Securities Trust	BD
National Global Allocation Fund	GS
National Stock Fund*	ST
National Total Income Fund	BA
National Total Return Fund	BA
National World Wide Opportunities	GS

*Will accept collect calls.

Fund	Type
Nationar 330 Madison Avenue 8th Floor New York, NY 10017 (212) 551-1800	
MSB Fund	ST
Nationwide Financial Services One Nationwide Plaza Columbus, OH 43216 (800) 848-0920	
Nationwide Fund	ST
Nationwide Growth Fund	ST
Nationwide Tax-Free Fund	MU
Neuberger & Berman Management 342 Madison Avenue New York, NY 10173 (800) 877-9700	
N & B Genesis Fund	ST
N & B Guardian Fund	ST
N & B Limited Maturity Bond	BD
N & B Manhattan Fund	ST
N & B Partners Fund	ST
N & B Selected Sectors Plus Energy	ST
Newton Fund PO Box 1348 Milwaukee, WI 53201 (800) 242-7229	
Newton Growth Fund	ST
Nicholas Co 700 North Water Street Suite 1010 Milwaukee, WI 53202 (414) 272-6133*	
Nicholas Fund	ST
Nicholas II	ST
Nicholas Limited Edition	ST
Nomura Capital Management 180 Maiden Lane 29th Floor New York, NY 10038 (800) 833-0018	
Nomura Pacific Basin Fund	FS
Northeast Investors Trust 50 Congress Street 10th Floor, Room 1000 Boston, MA 02109 (800) 225-6704	
Northeast Investors Growth	ST
Northeast Investors Trust	BD

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DW 1252

*Source: IBC/Donoghue's Money Fund Report for 2/23/89–6/30/91 during which certain expenses were absorbed, some of which are now being borne by the Fund. Had expenses not been absorbed, Fund's yield would have been lower. There can be no guarantee that the Fund will be able to maintain a stable net asset value of $1 per share nor is the value of the Fund's shares insured or guaranteed by the U.S. Government. Yield fluctuates. Past performance is no guarantee of future results. Dreyfus Service Corporation, Distributor.

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* *As ranked by Lipper Analytical Services, a leading independent mutual fund ranking service for the 15-year period ending June 30, 1991. Data quoted represents past performance. Investment return and principal value will fluctuate, and redemption value may be more or less than original cost.*

TWENTIETH CENTURY MUTUAL FUNDS

P.O. Box 419200, Kansas City, MO 64141-6200

FBS

No-Load Family of Funds

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Fund	Type
John Nuveen & Co 333 West Wacker Drive Chicago, IL 60606 (800) 621-7227	
Nuveen Calif Tax-Free–Spec Bond	MU
Nuveen Insured Tax-Free Bond–Natl	MU
Nuveen Insured Tax-Free Bond–NY	MU
Nuveen Municipal Bond Fund	MU
Nuveen Tax-Exempt Money Market	MM
NYLife Securities 51 Madison Avenue New York, NY 10010 (800) 522-4202	
MainStay–Capital Appreciation	ST
MainStay–Government Plus	BD
MainStay–High Yield Corp Bond	JU
MainStay–Tax-Free Bond	MU
MainStay–Total Return Fund	BA
MainStay–Value Fund	ST
Olympic Trust 800 West Sixth Street Suite 540 Los Angeles, CA 90017 (800) 346-7301	
Olympic Trust–Equity Income	ST
Oppenheimer Fund Management PO Box 300 Denver, CO 80201 (800) 525-7048	
Oppenheimer Asset Allocation Fund	BA
Oppenheimer California Tax-Exempt	MU
Oppenheimer Discovery Fund	ST
Oppenheimer Equity Income Func	ST
Oppenheimer Fund	ST
Oppenheimer Global Bio-Tech Fund	GS
Oppenheimer Global Environment	GS
Oppenheimer Global Fund	GS
Oppenheimer Gold & Special Mins	FS
Oppenheimer High Yield Fund	JU
Oppenheimer New York Tax-Exempt	MU
Oppenheimer Premium Income Fund	ST
Oppenheimer Special Fund	ST
Oppenheimer Strategic Income Fund	BD
Oppenheimer Target Fund	ST
Oppenheimer Tax-Free Bond Fund	MU
Oppenheimer Time Fund	ST
Oppenheimer Total Return Fund	ST
Oppenheimer US Government Trust	BD
Oppenheimer Management PO Box 5061 Denver, CO 80217 (800) 525-7048	
Oppenheimer Value Stock	ST
Overland Express PO Box 63084 San Francisco, CA 94163 (800) 552-9612	
Overland Express Asset Allocation	BA
Overland Express Calif T-F Bond	MU
Pacific Financial Research 9601 Wilshire Boulevard Suite 828 Beverly Hills, CA 90210 (800) 776-5033	
Clipper Fund	ST
PaineWebber 1000 Harbor Boulevard Prospectus Department, 1st Floor Weehawken, NJ 07087 (201) 902-7341	
PaineWebber Asset Allocation	BA
PaineWebber Atlas Global Growth	GS
PaineWebber Blue Chip Growth Fund	ST
PaineWebber California Tax-Free Income	MU
PaineWebber Cashfund	MM
PaineWebber Dividend Growth Fund	ST
PaineWebber Europe Growth Fund	FS
PaineWebber Fixed Income–High Inc	JU
PaineWebber Fixed Income–Inv Grade	BD
PaineWebber Fixed Income–US Govt	BD
PaineWebber Global Energy Fund	GS
PaineWebber Global Growth & Income	GS
PaineWebber Global Income Fund	GB
PaineWebber Growth Fund	ST
PaineWebber Income Fund	BD
PaineWebber National Tax-Free Income	MU
PaineWebber Regional Finl Growth	ST
PaineWebber RMA–Money Market	MM
Parnassus Financial Management 244 California Street San Francisco, CA 94111 (800) 999-3505	
Parnassus Fund	ST
Pasadena Group of Mutual Funds 600 North Rosemead Boulevard Pasadena, CA 91107-2101 (800) 882-2855	
Pasadena Growth Fund	ST
Pax World Fund 224 State Street Portsmouth, NH 03801 (800) 767-1729	
Pax World Fund	GS
Penn Square Management 2650 Westview Drive Wyomissing, PA 19610 (800) 523-8440	
Penn Square Mutual Fund	ST
Pennsylvania Mutual Fund 1414 Avenue of the Americas New York, NY 10019 (800) 221-4268	
Pennsylvania Mutual Fund	ST
Permanent Portfolio PO Box 5847 Austin, TX 78763 (800) 531-5142	
Permanent Portfolios–Permanent	BA
Permanent Portfolios–Treasury Bill	BD
GR Phelps & Co 140 Garden Street MS 305 Hartford, CT 06154 (800) 243-2501	
Connecticut Mutual–Growth	ST
Connecticut Mutual–Total Return	BA
Phoenix Equity Planning Corp 100 Bright Meadow Boulevard Enfield, CT 06083-1989 (800) 243-4361	
Phoenix Balanced Fund	BA
Phoenix Convertible Fund	BA
Phoenix Growth Fund	ST
Phoenix Multi–Capital Appreciation	ST
Phoenix Stock Fund	ST
Phoenix Total Return	ST
Pilgrim Group 10100 Santa Monica Boulevard 21st Floor Los Angeles, CA 90067-4112 (800) 336-3436	
Pilgrim GNMA Fund	BD
Pilgrim MagnaCap Fund	ST
Pilgrim S-T Multi-Market Income	BD
Pioneer Group PO Box 9014 Boston, MA 02205-9014 (800) 225-6292	
Pioneer Fund	ST
Pioneer II	ST
Pioneer Three	ST
Piper Capital Management Piper Jaffray Tower 222 South Ninth Street Minneapolis, MN 55402 (800) 333-6000	
Piper Jaffray Emerging Growth Fund	ST
Piper Jaffray Value Fund	ST

*Will accept collect calls.

Fund	Type
T Rowe Price Associates 100 East Pratt Street Baltimore, MD 21202 (800) 638-5660	
T Rowe Price Capital Appreciation	ST
T Rowe Price Equity Income Fund	ST
T Rowe Price GNMA Fund	BD
T Rowe Price Growth & Income	ST
T Rowe Price Growth Stock Fund	ST
T Rowe Price High Yield Fund	JU
T Rowe Price Intl Bond	GB
T Rowe Price Intl Discovery	FS
T Rowe Price Intl European Stock	FS
T Rowe Price Intl Stock	FS
T Rowe Price Maryland T-F Bond	MU
T Rowe Price New America Growth	ST
T Rowe Price New Era Fund	ST
T Rowe Price New Horizons Fund	ST
T Rowe Price New Income Fund	BD
T Rowe Price Science & Technology	ST
T Rowe Price Short-Term Bond Fund	BD
T Rowe Price Small-Cap Value Fund	ST
T Rowe Price Spectrum Fund Growth	ST
T Rowe Price Tax-Free High Yield	MU
T Rowe Price Tax-Free Income Fund	MU
T Rowe Price Tax-Free Short-Inter	MU
Primary Trend Fund First Financial Centre-4th Floor 700 North Water Street Milwaukee, WI 53202 (800) 443-6544	
Primary Trend Fund	ST
Princor Financial Services Corp The Principal Financial Group Des Moines, IA 50392-0200 (800) 247-4123	
Princor Capital Accumulation Fund	ST
Princor Growth Fund	ST
ProvidentMutual Financial Services PO Box 15627 Christiana Executive Campus Wilmington, DE 19850 (800) 441-9490	
ProvidentMutual Growth Fund	ST
ProvidentMutual Investment Shares	ST
ProvidentMutual Total Return Trust	BA
Prudential Securities One Seaport Plaza New York, NY 10292 (212) 214-3332* (local); (800) 225-1852	
Nicholas-Applegate Growth Equity	ST
Prudential California Municipal	MU
Prudential Equity Fund	ST

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#1 FUND (ALL CATEGORIES) 1988**

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Please read the Prospectus before investing. The performance cited represents past performance; investment performance fluctuates; fund shares when redeemed may be worth more or less than original cost.

*Per Investor's Daily **Per Lipper Analytical Services

For a prospectus please CALL

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Vanguard Index Trust
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Name_____

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(401) FRDI-245

THE Vanguard GROUP OF INVESTMENT COMPANIES

Fund	Type
Prudential FlexiFund–Conservative	ST
Prudential FlexiFund–Strategy	ST
Prudential Global Fund	GS
Prudential Global Genesis	GS
Prudential Global Nat Resources	GS
Prudential GNMA Fund	BD
Prudential Government Plus	BD
Prudential Govt Secs–Intermed	BD
Prudential Growth Opportunity	ST
Prudential High Yield Fund	JU
Prudential IncomeVertible Plus	BA
Prudential Multi-Sector Fund	ST
Prudential Muni Bond–High Yield	MU
Prudential Muni Bond–Insured	MU
Prudential Muni–New Jersey	MU
Prudential Muni–New York	MU
Prudential Muni–Pennsylvania	MU
Prudential National Municipals	MU
Prudential Option Growth Fund	ST
Prudential Research Fund	ST
Prudential Strategic Income	BD
Prudential Structured Maturity	BD
Prudential US Government	BD
Prudential Utility Fund	ST
Putnam Financial Services PO Box 2701 Boston, MA 02208 (800) 225-1581	
Putnam Calif Tax-Exempt Income	MU
Putnam Convertible Income-Growth	BA
Putnam Diversified Income Trust	BD
Putnam Energy-Resources Trust	ST
Putnam Federal Income Trust	BD
Putnam Fund for Growth & Income	ST
George Putnam Fund of Boston	BA
Putnam Global Governmental Income	GB
Putnam Global Growth Fund	GS
Putnam Health Sciences Trust	ST
Putnam High Income Government	BD
Putnam High Yield Trust	JU
Putnam High Yield Trust II	JU
Putnam Income Fund	BD
Putnam Information Sciences Trust	ST
Putnam Investors Fund	ST
Putnam New York Tax-Exempt Income	MU
Putnam Ohio Tax-Exempt Income	MU
Putnam Option Income Trust II	ST
Putnam OTC Emerging Growth Fund	ST
Putnam Strategic Income Trust	ST
Putnam Tax-Exempt Income Fund	MU
Putnam Tax-Free High Income	MU
Putnam Tax-Free Income–High Yield	MU
Putnam Tax-Free Income–Insured	MU
Putnam US Govt Income Trust	BD
Putnam Vista Fund	ST
Putnam Voyager Fund	ST

Fund	Type
Quest Distributors 1414 Avenue of the Americas New York, NY 10019 (800) 221-4268	
Royce Fund–Equity Income	ST
Royce Fund–Value	ST
Quest for Value 200 Liberty Street World Financial Center, 37th Floor New York, NY 10281 (800) 232-3863	
Quest for Value Fund	ST
James B Rea 10966 Chalon Road Los Angeles, CA 90077 (800) 433-1998	
Rea-Graham Balanced Fund	BA
Reich & Tang LP 100 Park Avenue 28th Floor New York, NY 10017 (800) 221-3079	
Reich & Tang Equity Fund	ST
Robertson, Stephens & Co One Embarcadero Center Suite 3100 San Francisco, CA 94111 (800) 766-3863	
Robertson Stephens Emerging Growth	ST
Rochester Fund Distributors 70 Linden Oaks Rochester, NY 14625 (716) 383-1300*	
Rochester Fund Municipals	MU
Rodney Square Funds 1300 North Market Street Suite 700 Wilmington, DE 19801 (800) 553-9308	
Rodney Square International Equity	FS
Rodney Square Multi-Mngr–Growth	ST
Ruane, Cunniff & Co 1370 Avenue of the Americas New York, NY 10019 (212) 245-4500	
Sequoia Fund	ST
Rushmore Group 4922 Fairmont Avenue Bethesda, MD 20814 (800) 343-3355	
American Gas Index Fund	ST
Rushmore–Nova	ST

Fund	Type
Safeco Securities PO Box 35890 Seattle, WA 98124-1890 (800) 624-5711	
Safeco Equity Fund	ST
Safeco Growth Fund	ST
Safeco Income Fund	ST
Safeco Municipal Bond Fund	MU
Salomon Brothers Asset Management 7 World Trade Center 38th Floor New York, NY 10048 (800) 725-6666	
Salomon Brothers Capital Fund	ST
Salomon Brothers Investors Fund	ST
Salomon Brothers Opportunity Fund	ST
SBSF Funds 45 Rockefeller Plaza 33rd Floor New York, NY 10111 (800) 422-7273	
SBSF–Growth Fund	ST
Charles Schwab 101 Montgomery Street Schwab Building San Francisco, CA 94104 (800) 526-8600	
Schwab Money Funds–Tax-Exempt	MM
Scudder Investor Services 160 Federal Street Boston, MA 02110 (800) 225-2470	
AARP Growth–Capital Growth	ST
AARP Growth–Growth & Income	ST
AARP Income–GNMA & US Treas	BD
AARP Income–High Quality Bond	BD
AARP Insured T-F Inc–Genl Bond	MU
AARP Insured T-F Inc–Short-Term	MU
Japan Fund	FS
Scudder California Tax-Free Fund	MU
Scudder Capital Growth Fund	ST
Scudder Cash Investment Trust	MM
Scudder Development Fund	ST
Scudder Global Fund	GS
Scudder GNMA Fund	BD
Scudder Gold Fund	GS
Scudder Growth & Income Fund	ST
Scudder High Yield Tax-Free Fund	MU
Scudder Income Fund	BD
Scudder International Bond Fund	GB
Scudder International Fund	FS
Scudder Managed Municipal Bonds	MU
Scudder Medium Term Tax-Free	MU
Scudder NY Tax-Free Fund	MU
Scudder Short Term Bond Fund	BD
Scudder Tax-Free Money Fund	MM

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Securities Management & Research Two Moody Plaza Galveston, TX 77550 (800) 231-4639	
American National Growth Fund	ST
American National Income Fund	ST
Security Distributors 700 Harrison Street Topeka, KS 66636 (800) 888-2461	
Security Action Fund	ST
Security Equity Fund	ST
Security Investment Fund	ST
Security Ultra Fund	ST
SEI Corp 680 East Swedesford Road Building 7 Wayne, PA 19087 (215) 254-1000	
Helmsman–Disciplined Equity	ST
Helmsman–Growth Equity	ST
Helmsman–Income Equity	ST
Helmsman–Income Fund	BD
Seligman Marketing 130 Liberty Street New York, NY 10006 (800) 221-2783	
Seligman Capital Fund	ST
Seligman Common Stock Fund	ST
Seligman Communications & Info	ST
Seligman Growth Fund	ST
Seligman Income Fund	BA
Seligman Tax-Exempt–Mass	MU
Seligman Tax-Exempt–Michigan	MU
Seligman Tax-Exempt–Minnesota	MU
Seligman Tax-Exempt–National	MU
Seligman Tax-Exempt–Ohio	MU
Sentry Equity Services 1800 North Point Drive C3/42 Stevens Point, WI 54481 (800) 533-7827	
Sentry Fund	ST
Shearson Lehman Brothers 388 Greenwich Street New York, NY 10013 (212) 564-8068	
Shearson Aggressive Growth	ST
Shearson Appreciation Fund	ST
Shearson California Municipals	MU
Shearson Equity–Growth & Oppor	ST
Shearson Equity–International	FS
Shearson Equity–Sector Analysis	ST
Shearson Equity–Strategic Investors	ST
Shearson Fundamental Value Fund	ST
Shearson Global Opportunities	GS
Shearson High Yield Fund	JU
Shearson Income–Divers Strategic	BD
Shearson Income–Global Bond	GB
Shearson Income–High Income	JU
Shearson Income–Mortgage	BD
Shearson Income–Option Income	ST
Shearson Income–Tax-Exempt Income	MU
Shearson Income–Utilities	BA
Shearson Invest–Directions Value	ST
Shearson Invest–European	ST
Shearson Invest–Govt Securities	BD
Shearson Invest–Growth	ST
Shearson Invest–Invest Grade Bond	BD
Shearson Invest–Precious Metals	GS
Shearson Invest–Special Equities	ST
Shearson Managed Governments	BD
Shearson Managed Municipals	MU
Shearson Multiple Opportunities	ST
Shearson New York Municipals	MU
Shearson 1990s Fund	ST
Shearson Principal Return	BA
Shearson Short-Term World Income	GB
Shearson Small Capitalization	ST
Shearson Telecommunications–Growth	ST
Sheffield Investments 41 Madison Avenue New York, NY 10010 (800) 922-7771	
Blanchard Precious Metals Fund	GS
Blanchard Strategic Growth	GS
Signature Financial Group 6 Saint James Avenue 9th Floor Boston, MA 02116 (617) 423-0800*	
FundTrust–Growth & Income	BA
Sit Investment Associates 90 South Seventh Street Suite 4600 Minneapolis, MN 55402 (800) 332-5580	
Sit New Beginning Growth Fund	ST

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Fund	Type
Smith Barney, Harris Upham & Co 1345 Sixth Avenue New York, NY 10105 (800) 544-7835	
National Liquid Reserves–Cash	MM
National Liquid Reserves–Retirement	MM
Smith Barney Equity Fund	ST
Smith Barney–Income & Growth	ST
Smith Barney–US Government	BD
Smith Barney Muni Bond–California	MU
Smith Barney Muni Bond–National	MU
Tax-Free Money Fund	MM
Vantage Money Market–Cash	MM
SoGen Securities Corp 50 Rockefeller Plaza New York, NY 10020 (800) 334-2143	
SoGen International Fund	ST
Sound Shore Fund PO Box 1810 Greenwich, CT 06836 (203) 629-1980*	
Sound Shore Fund	ST
Southeastern Asset Management 860 Ridgelake Boulevard Suite 301 Memphis, TN 38120 (800) 445-9469	
SAM Small Cap Fund	ST
SAM Value Trust	ST
Sovereign Advisers 985 Old Eagle School Road Suite 515A Wayne, PA 19087 (215) 254-0703*	
Sovereign Investors	ST
State Bond Sales Corp 8400 Normandale Lake Boulevard Suite 1100 Minneapolis, MN 55437 (800) 328-4735	
State Bond Common Stock Fund	ST
State Bond Diversified Fund	ST
Stein Roe & Farnham PO Box 1131 Chicago, IL 60690 (800) 338-2550	
SteinRoe Capital Opportunities	ST
SteinRoe High Yield Municipals	MU
SteinRoe Intermediate Bond Fund	BD
SteinRoe Intermediate Municipals	MU
SteinRoe Managed Municipals	MU
SteinRoe Special Fund	ST
SteinRoe Stock Fund	ST
SteinRoe Tax-Exempt Money Fund	MM
SteinRoe Total Return Fund	BA

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*Source: Variable Annuity Research and Data Services (VARDS®)

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Fund	Type
Stonebridge Capital 1801 Century Park East Suite 1800 Los Angeles, CA 90067 (213) 277-1450*	
National Industries Fund	ST
Strategic Distributors 2030 Royal Lane Dallas, TX 75229 (800) 527-5027	
Strategic Investments Fund	FS
Stratton Management 610 West Germantown Pike Suite 361 Plymouth Meeting, PA 19462 (800) 634-5726	
Stratton Monthly Dividend Shares	ST
Strong/Corneliuson Capital Management PO Box 2936 Milwaukee, WI 53201-2936 (800) 368-3863	
Strong Advantage Fund	BD
Strong Discovery Fund	ST
Strong Investment Fund	BA
Strong Municipal Money Market	MM
Strong Opportunity Fund	ST
Strong Total Return Fund	BA
SunAmerica Asset Management 10 Union Square East New York, NY 11003 (800) 858-8850	
Home Investors Government Income	BD
SunAmerica Balanced Assets Fund	BA
SunAmerica Capital Appreciation	ST
SunAmerica Multi-Asset–Total Return	BA
SunAmerica Equity–Aggressive Growth	ST
SunAmerica Equity–Growth	ST
SunAmerica Equity–US Government Secs	BD
Sunstone 207 East Buffalo Street Suite 315 Milwaukee, WI 53202 (414) 271-5885*	
Portico–Equity Index Fund	ST
Portico–Income & Growth Fund	ST
Portico–Money Market Fund	MM
Portico–Special Growth Fund	ST
TBC Funds Distributor 103 Bellevue Parkway Wilmington, DE 19809 (302) 792-6400 (local); (800) 441-7379	
HT Insight–Equity Fund	ST
Pierpont Capital Appreciation Fund	ST
Pierpont Equity Fund	ST
Pierpont Tax-Exempt Bond Fund	MU

Fund	Type
Templeton Funds Distributors PO Box 33030 St Petersburg, FL 33733-8030 (813) 823-8712 (local) ; (800) 237-0738	
Templeton Foreign Fund	FS
Templeton Global Opportunities	GS
Templeton Growth Fund	GS
Templeton Income Fund	GS
Templeton Real Estate Securities	GS
Templeton Smaller Companies Growth	GS
Templeton Value Fund	GS
Templeton World Fund	GS
Thomson McKinnon Investor Services One Station Place Stamford, CT 06902 (203) 352-4900 (local) ; (800) 628-1237	
Thomson Fund–Global	GS
Thomson Fund–Growth	ST
Thomson Fund–Income	BD
Thomson Fund–Opportunity	ST
Thomson Fund–US Government	BD
Thornburg Securities 119 East Marcy Street Suite 202 Santa Fe, NM 87501 (505) 984-0200 (local); (800) 847-0200	
Limited Term Municipal–National	MU
TNE Fund Group 399 Boylston Street Boston, MA 02116 (800) 343-7104	
CGM Capital Development Fund	ST
CGM Mutual Fund	BA
ITB–Growth Opportunities	ST
ITB–Premium Income	BD
New England Balanced Fund	ST
New England Cash Mgmt–MM	MM
New England Government Securities	BD
New England Growth Fund	ST
New England Retirement Equity	ST
New England Tax-Exempt Income	MU
Transamerica 1000 Louisiana Suite 6200 Houston, TX 77002-5098 (800) 343-6840	
Transamerica California Tax-Free Inc	MU
Transamerica Capital Appreciation	ST
Transamerica Govt Securities	BD
Transamerica Growth & Income	BA
Transamerica Special Emerging Grow	ST
Transamerica Special Govt Income	BD
Transamerica Sunbelt Growth Fund	ST

Fund	Type
Trusteed Funds One Winthrop Square Boston, MA 02110 (800) 462-1199 (local) ; (800) 343-2902	
Commonwealth Investment–Balanced	BA
Twentieth Century Investors PO Box 419200 Kansas City, MO 64141-6200 (816) 531-5575 (local); (800) 345-2021	
20th Century Balanced Investors	BA
20th Century Giftrust Investors	ST
20th Century Growth Investors	ST
20th Century Heritage Investors	ST
20th Century Select Investors	ST
20th Century Ultra Investors	ST
20th Century US Governments	BD
20th Century Vista Investors	ST
United Services Advisors PO Box 29467 San Antonio, TX 78229-0467 (512) 696-1234 (local); (800) 873-8637	
United Services–Global Resources	GS
United Services–Gold Shares	FS
United Services–World Gold Fund	GS
US Boston Investment Lincoln North Lincoln, MA 01773 (617) 259-1144 (local) ; (800) 872-7866	
US Boston Inv–Growth & Income	ST
USAA Investment Management Co USAA Building 9800 Fredericksburg Road San Antonio, TX 78288 (512) 498-4499 (local); (800) 531-8181	
USAA Investment–Balanced	BA
USAA Investment–Cornerstone Fund	GS
USAA Investment–Gold Fund	FS
USAA Investment–International	FS
USAA Mutual–Aggressive Growth	ST
USAA Mutual–Growth Fund	ST
USAA Mutual–Income Fund	BD
USAA Mutual–Income Stock Fund	ST
USAA Mutual–Money Market	MM
USAA Tax-Exempt–California Bond	MU
USAA Tax-Exempt–California MM	MM
USAA Tax-Exempt–High Yield	MU
USAA Tax-Exempt–Intermediate	MU
USAA Tax-Exempt–Money Market	MM
USAA Tax-Exempt–Short-Term	MU

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Fund	Type
USF&G Investment Services	
100 Light Street	
Baltimore, MD 21202	
(301) 625-5698 (local) ; (800) 323-8734	
Axe-Houghton Fund B	**BA**
Axe-Houghton Growth Fund	**ST**
European Emerging Companies Fund	**FS**
Over-the-Counter Securities Fund	**ST**
UST Securities	
c/o Concord Financial Group	
7863 Girard Avenue, Suite 306	
La Jolla, CA 92037	
(800) 233-1136	
UST Master Funds–Equity	**ST**
UST Master Funds–Govt Money	**MM**
UST Master Funds–International	**FS**
UST Master Tax-Exempt–Intermediate	**MU**
UST Master Tax-Exempt–Short-Term	**MM**
Value Line Securities	
711 Third Avenue	
New York, NY 10017	
(800) 223-0818	
Value Line Convertible Fund	**ST**
Value Line Fund	**ST**
Value Line Income Fund	**ST**
Value Line Leveraged Growth Inv	**ST**
Value Line Special Situations Fund	**ST**
Value Line Tax-Exempt–High Yield	**MU**
Value Line US Government Secs	**BD**
Van Eck Securities Corp	
122 East 42nd Street	
42nd Floor	
New York, NY 10168	
(212) 687-5200* (local) ; (800) 221-2220	
Van Eck Gold/Resources Fund	**GS**
Van Eck International Investors	**FS**
Van Eck World Income Fund	**GB**
Van Eck World Trends Fund	**GS**
Van Kampen Merritt	
1001 Warrenville Road	
Lisle, IL 60532	
(708) 719-6000 (local); (800) 225-2222	

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Fund	Type
Van Kampen Merritt Growth & Inc	ST
Van Kampen Merritt High Yield	JU
Van Kampen Merritt Insured T-F	MU
Van Kampen Merritt Prime Rate Inc	BD
Van Kampen Merritt T-F Hi Income	MU
Van Kampen Merritt US Government	BD
Vanguard Group of Investment Cos PO Box 2600 MS 136 Valley Forge, PA 19482 (215) 648-6000* (local); (800) 662-7447	
Vanguard Asset Allocation	BA
Vanguard Bond Market Fund	BD
Vanguard California T-F–Ins L-T	MU
Vanguard California T-F–MM	MM
Vanguard Convertible Securities	BA
Vanguard Equity Income Fund	ST
Vanguard Explorer Fund	ST
Vanguard Fixed Income–GNMA	BD
Vanguard Fixed Income–High Yield	JU
Vanguard Fixed Income–Invest Grade	BD
Vanguard Fixed Income–Short-Term	BD
Vanguard Fixed Income–S-T Govt Bond	BD
Vanguard Fixed Income–US Treasury	BD
Vanguard Index–500 Portfolio	ST
Vanguard Index–Extended Market	ST
Vanguard Intl Equity Index–Europe	FS
Vanguard Intl Equity Index–Pacific	FS
Vanguard MM Reserves–Federal	MM
Vanguard MM Reserves–Prime	MM
Vanguard MM Reserves–US Treas	MM
Vanguard/Morgan Growth Fund	ST
Vanguard Muni Bond–High Yield	MU
Vanguard Muni Bond–Insured L-T	MU
Vanguard Muni Bond–Intermediate	MU
Vanguard Muni Bond–Limited Term	MU
Vanguard Muni Bond–Long-Term	MU
Vanguard Muni Bond–Money Market	MM
Vanguard Muni Bond–Short-Term	MU
Vanguard NJ Tax-Free–Insured L-T	MU
Vanguard NJ Tax-Free–MM	MM
Vanguard New York Insured Tax-Free	MU
Vanguard Penn Tax-Free–Insured L-T	MU
Vanguard Penn Tax-Free–MM	MM
Vanguard Primecap Fund	ST
Vanguard Quantitative Portfolios	ST
Vanguard Small Cap Stock	ST
Vanguard Special–Energy	ST
Vanguard Special–Gold & Prec	FS
Vanguard Special–Health Care	ST
Vanguard STAR Fund	BA
Vanguard Trustees Commingled–Intl	FS
Vanguard Trustees Commingled–US	ST
Vanguard Wellesley Income Fund	BA
Vanguard Wellington Fund	BA
Vanguard Windsor Fund	ST
Vanguard Windsor II	ST
Vanguard World–Intl Growth	GS
Vanguard World–US Growth	GS

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Venture Advisers PO Box 1688 Santa Fe, NM 87504-1688 (505) 983-4335 (local); (800) 279-0279	
New York Venture Fund	ST
RPF of America–Equity Fund	ST
Vista Mutual Funds Chase Service Center PO Box 419392 Kansas City, MO 64179 (800) 348-4782	
Vista Growth & Income Fund	ST
Voyageur Fund Distributor 100 South Fifth Street Suite 2200 Minneapolis, MN 55402 (800) 553-2143	
Voyageur Minnesota Tax-Free Fund	MU
Waddell & Reed 6300 Lamar Avenue PO Box 29217 Shawnee Mission, KS 66201 (913) 236-2000 (local) ; (800) 366-5465	
United Accumulative Fund	ST
United Bond Fund	BD
United Continental Income Fund	BA
United Gold & Government Fund	FS
United Government Securities	BD
United High Income Fund	JU
United High Income Fund II	JU
United Income Fund	ST
United International Growth	FS
United Municipal Bond Fund	MU
United Municipal High Income	MU
United New Concepts Fund	ST
United Retirement Shares	BA
United Science & Energy Fund	ST
United Vanguard Fund	ST
Washington Funds Distributors 1101 Vermont Avenue NW Washington, DC 20005 (202) 842-5300 (local); (800) 972-9274	
Growth Fund of Washington	ST
Weiss, Peck & Greer One New York Plaza New York, NY 10004 (800) 223-3332	
WPG Government Securities Fund	BD
WPG Growth & Income Fund	ST
WPG Tudor Fund	ST

Fund	Type
Weitz Securities 9290 West Dodge Road Suite 405 Omaha, NE 68114-3323 (402) 391-1980*	
Weitz Series Fund–Value	ST
Westcore Funds 600 Seventeenth Street Suite 1605 South Denver, CO 80202 (303) 595-9156 (local); (800) 666-0367	
Westcore–Basic Value Fund	ST
Westcore–MIDCO Growth Fund	ST
Westcore–Modern Value Equity	ST
Wheat First Securities PO Box 1357 Richmond, VA 23211 (800) 472-0090	
Southeastern Growth Fund	ST
Winsbury Co 1900 East Dublin-Granville Road Columbus, OH 43229 (800) 451-8377	
ASO Outlook Group Equity Fund	ST
Emblem–Earnings Momentum Equity	ST
Emblem–Relative Value Equity Port	ST
HighMark Income Equity Fund	ST
Parkstone Bond Fund	BD
Parkstone Equity Fund	ST
Parkstone High Income Equity	ST
Parkstone Intermediate Govt Oblig	BD
Parkstone Prime Obligations	MM
Parkstone Small Cap Value	ST
Parkstone Tax-Free Fund	MM
Wood Logan 1455 East Putnam Avenue Old Greenwich, CT 06870 (800) 334-0575	
NA Security–Moderate Asset Alloc	BA
Yamaichi Global Fund Two World Trade Center Suite 9828 New York, NY 10048 (212) 466-6805 (local); (800) 257-0228	
Yamaichi Global Fund	GS
Zweig Securities 5 Hanover Square 17th Floor New York, NY 10004 (800) 272-2700	
Zweig Series–Priority Selection	ST

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THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

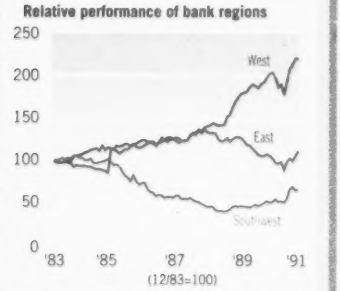
The apparent end of the recession should prolong investor interest in small-capitalization stocks. Historically, many groups of small-capitalization stocks have beaten the overall market at the beginning of a recovery.

Small caps have raced ahead of blue chips so far this year, to be sure, but then they had a lot of catching up to do. So Prudential Securities' director of small-cap research, Claudia Mott, says there is room left for gains among companies with market values under $500 million. Mott's picks include RasterOps, which makes graphic design equipment, home-builder PHM Corp. and First Tennessee National Corp., a $7 billion (assets) bank holding company. "They're all selling below the S&P earnings multiple [currently 18] and they had positive earnings surprises for the latest quarter," Mott says. "Also, their earnings are expected to increase by at least 10% this year and in 1992."

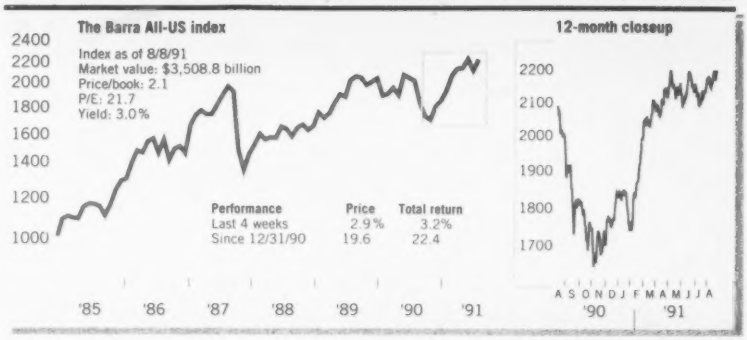
Special focus

A weighted portfolio of 150 leading U.S. bank stocks lagged the market by almost 8 percentage points a year since 1986. But since November of last year the total return on these banks was 22% better than the S&P 500. The recovery first started with western banks, but Barra, which has a computer model that attempts to isolate the regional effect from other factors in bank stock performance, reports that regional differences may be narrowing. Chase Manhattan and J.P. Morgan, for instance, recently reported better than expected earnings.

Relative performance of bank regions



The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	1.6%	14.5%	-0.4%
Sharpe/Barra Growth index[1]	1.2	23.4	0.0
Sharpe/Barra Value index[2]	3.3	11.1	-0.4
Dow Jones industrials	1.1	9.2	-0.7
S&P 500	2.2	14.5	-0.3
NYSE	2.1	14.5	0.0
Nasdaq	3.9	23.3	-0.4
Amex	0.4	7.4	-1.0
EAFE[3]	-0.6	-11.0	-22.9
CRB index[4,5]	0.7	-10.3	-22.7
Gold[5]	-1.8	-3.0	-28.7
Yen[5]	-1.9	-9.4	-16.9
Oil[5]	0.7	6.4	-47.5

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Noth American Vaccine	14 1/8	72%	NA	Utilx	9 3/8	-32%	$0.86
ICOS	16 3/8	64	NA	CIS Technologies	5	-31	0.05
Compression Labs	19 1/2	36	$0.55	DSC Communications	4	-27	0.65
WMS Industries	14 1/8	31	NA	Jones Medical Industries	7 7/8	-25	0.44
Teradata	18 3/4	30	0.01	Convex Computer	10 3/4	-24	0.21

The best and worst performing industry factors[6,8]

Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Real estate	1.0%	30.8%	Air transport	-5.5%	16.1%
Leisure, luxury	8.6	31.8	Precious metals	-4.0	-15.1
Thrift institutions	8.5	19.6	Aluminum	-3.1	9.2
Water transport	6.4	24.9	Coal, uranium	-2.5	-9.5
Cosmetics	5.3	27.2	Motor vehicles	-1.8	22.2

Note: Data for period ending 8/8/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets, ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of a portfolio of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from Lynch, Jones & Ryan. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

NEW ISSUES REVIEW

BY WARREN MIDGETT

The biggest new issues[1]

Company/business	Exchange	Offer date	Offer price	Recent price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Duracell Intl/batteries	n	5/1/91	15	22	366	Merrill Lynch	47%	150
Intl Specialty Products/specialty chemicals	n	6/24/91	15½	15½	217	Merrill Lynch	0	100
AnnTaylor Stores/women's apparel	n	5/16/91	26	28⅞	127	Merrill Lynch	11	111
Haemonetics/blood processing equip	n	5/9/91	22	25	106	First Boston	14	117
Regeneron Pharmaceuticals/pharmaceuticals	o	4/2/91	22	11⅛	99	Merrill Lynch	-49	52
BWIP Holding/fluid transfer & control sys	o	5/23/91	14	14½	93	Goldman, Sachs	0	101
Vigoro/fertilizer	n	5/20/91	14½	15¾	93	Merrill Lynch	13	113
AES/air-conditioning svcs	o	6/25/91	19	20⅛	91	DLJ	7	107
Caldor/discount stores	o	4/24/91	21	20⅛	87	Kidder, Peabody	-1	103
Carlisle Plastics/plastic prods	n	5/15/91	11	9⅛	74	First Boston	-17	82

Performance update

Is the new issues market getting overheated? By one measure, volume, it is. Securities Data Co. of Newark, N.J. reports that in the second quarter of 1991 there were 88 new corporate issues that had $5 million or more in market capitalization and an offering price of at least $2.50 a share. In the year-earlier quarter there were only 49 such new issues.

But this market differs in one important respect from 1983's bubbly market: The parade of first-time issuers is led by a number of established companies. For example, Duracell International, AnnTaylor Stores and Caldor offered new stock last quarter. Recent offerings include Enquirer/Star Group, which publishes tabloid newspapers, and Ronald Perelman's Marvel Entertainment Group, which is famous for Spiderman, Captain America and other comic heroes.

The spurt of offerings could end as quickly as it began. "[Initial public offerings] are like the flu," says Mark Basch, assistant vice president at Securities Data. "Once they catch on, they run their course, and after that there are only scattered cases until the next season starts." Basch thinks the large number of established companies going public is a sign of economic recovery rather than of an overheated new issues market.

The best new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Medimmune/biological prods	9¼	23	Morgan Stanley	92%	196
Danek Group/surgical prods	15	27	Smith Barney, Harris	80	180
AutoZone/auto parts	23	60	Goldman, Sachs	47	147
Quantum Health Res/home health care	12	30	Alex Brown & Sons	58	160
Duracell Intl/batteries	15	366	Merrill Lynch	47	150

The worst new issues[1]

Company/business	Offer price	Offering ($mil)	Lead underwriter	Performance to date absolute	Performance to date rel to mkt[2]
Regeneron Pharm/pharmaceuticals	22	99	Merrill Lynch	-49%	52
Cephalon/therapeutic prods	18	59	Hambrecht & Quist	-38	64
Sport Supply Group/sporting goods	9½	24	PaineWebber	-34	67
OW Office Warehouse/office furniture	14½	29	DLJ	-33	67
FA Tucker Group/electrical svcs	6	8	First Albany	-29	71

The most active investment bankers

Underwriter	Total offerings	Total raised ($mil)
Goldman, Sachs	8	$1,262
Merrill Lynch	9	1,054
First Boston	8	502
Alex Brown & Sons	13	405
Salomon Brothers	8	404

Industries going public

Industry	Total offerings	Total raised ($mil)
Banks	2	$698
Chemicals	16	665
Electronics	8	522
Health services	16	484
Electric & gas	6	452

Note: Initial public offerings of common equities with offer date of 4/1/91 to 6/30/91, offering price of $2.50 or more and offering value of $5 million or more. Closed-end funds, limited partnerships, and ADRs (American Depositary Receipts) of corporations already traded in foreign countries are excluded, as are REITs and spinoffs. [1]Last quarter. [2]The ending value of $100 invested in the stock, divided by the ending value of $1 invested in the market. [3]Latest 12 months. Source: Securities Data Co.

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Forbes

Hell no– we won't pay!

Why consumers are no longer faithful to their favorite brands

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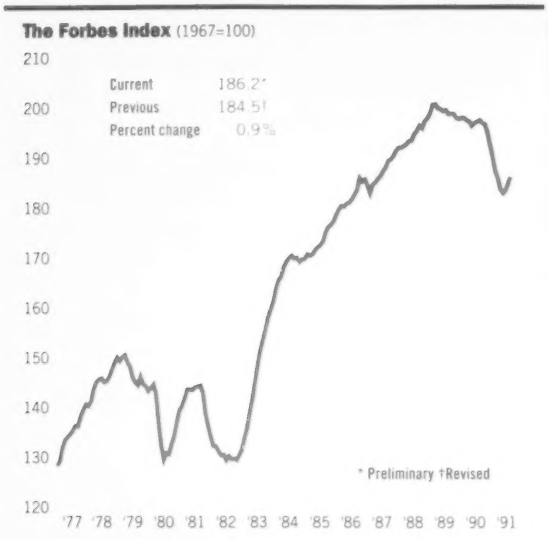
THE FORBES INDEX

BY TIMOTHY DODMAN



The Forbes Index shows a preliminary increase of 0.9% for July, following June's 0.5% gain. Good, but not great, as economic recoveries go. During the six months following the two previous recessions, the index averaged monthly gains of 1.5%. From its April 1991 low, however, the Forbes Index's average monthly gain has been 0.6%. One of the economic bright spots is manufacturing. Orders for durable goods jumped 10.7% in July. New housing starts rose 2.1% from June to July. But that leaves them 5% below their July 1990 level.

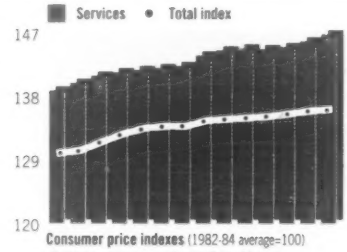
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.5%
Auto sales year to date vs 1990[1]	Ward's Automotive	-11.0%
Index of leading indicators June vs May	Dept of Commerce	0.5%
Trade balance 12 months ended June 1991	Dept of Commerce	-$84 bil
All-commodity producer price index July vs June[2]	Dept of Labor	-0.3%
GNP 2nd quarter vs. 1st—annualized growth	Dept of Commerce	0.4%
M2 (3-month change)—annualized growth[3]	Federal Reserve	1.9%

[1] U.S.-based manufacturers, excludes imports, as of 8/20/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

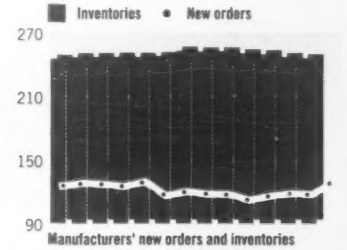
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

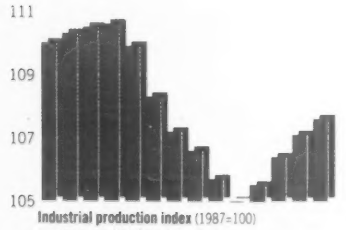
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

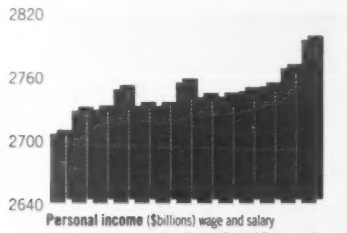


Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)



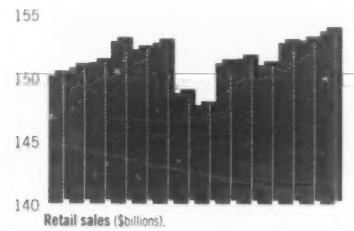
Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

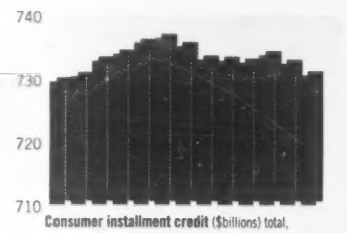


Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

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THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

By traditional Graham and Dodd measures, the stock market is overvalued: Companies are trading at 2.3 times their book value and 33 times their dividend payments. Nonetheless, Louis Navellier, a money manager and publisher of the *MPT Review* newsletter, sees plenty of buys. The 75 companies on his computer-generated recommended list show expanding profit margins and recent positive earnings revisions from analysts. The high number of stocks on his buy list is only one reason Navellier is optimistic about the market, at least in the short term. He's also impressed by the diversity of the list, which includes computer companies like Dell and Cisco Systems, pork producer Smithfield Foods, and ECI Telecom, an Israeli phone equipment maker traded here via ADRs.

Like Navellier, A.C. Moore, who follows the market for Argus Investment Management, agrees that stocks overall look pretty expensive. But Moore believes the big surge in growth stocks so far this year has distorted traditional valuation measures. "Growth stocks [like Wal-Mart and Amgen] are up so much this year that the whole market's P/E and price/book ratio is overstated," he argues.

Moore thinks the market looks strong and could get stronger based on other factors, including favorable technical action such as breadth (the number of advancing stocks relative to declining ones) and the ratio of new highs to new lows. He also sees low interest rates that appear to be headed even lower as especially favorable. A value investor, Moore is recommending mostly stocks trading at below-market multiples of book value and earnings. Cyclical stocks look cheap to him, and paper is among his favorite industries. "I can buy stocks like James River and Willamette Industries at close to book value," he says, "while the overall market is trading at about 2½ times book." Moore also likes big airlines—UAL, Delta, and especially AMR.

The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	0.7%	26.2%	0.0%
Sharpe/Barra Growth index[1]	1.1	34.7	0.0
Sharpe/Barra Value index[2]	0.1	12.9	-0.3
Dow Jones industrials	-0.2	21.1	-1.0
S&P 500	0.5	27.4	0.0
NYSE	0.5	26.9	0.0
Nasdaq	1.7	43.9	0.0
Amex	0.4	16.5	-1.0
EAFE[3]	0.2	4.1	-22.7
CRB index[4,5]	-0.4	-14.1	-23.0
Gold[5]	-1.0	-13.9	-29.4
Yen[5]	0.2	-6.6	-16.7
Oil[5]	1.5	-31.4	-46.7

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Security Pacific	35¼	49%	$2.60	Coventry	9½	-47%	$1.41
Boulevard Bancorp	18	41	0.07	Salomon	22⅝	-38	4.60
System Software	20½	37	0.91	Eljer Industries	7½	-30	0.45
Immune Response	17	33	-0.33	MacNeal-Schwendler	11½	-26	1.11
Midlantic	8	33	-2.56	Lifeline Systems	10¾	-26	0.65

The best and worst performing industry factors[6,8]

Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Banks	5.3%	47.7%	Real estate	-5.7%	23.6%
Life insurance	4.1	15.4	Precious metals	-5.3	-19.4
Photographic, optical	3.0	-6.4	Motor Vehicles	-5.1	16.2
Coal, uranium	2.8	-6.8	Air Transport	-3.3	12.6
Agriculture, food	2.7	26.6	Water transport	-2.3	22.3

Note: Data for period ending 8/22/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above-average earnings growth. [2] Total return of a portfolio of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from Lynch, Jones & Ryan. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NM: Not meaningful. Principal source: Barra, Inc., Berkeley, Calif.

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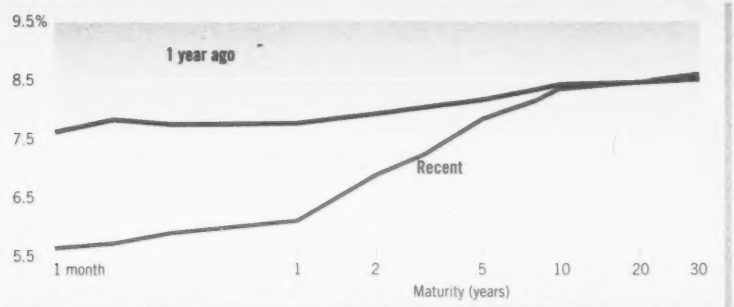
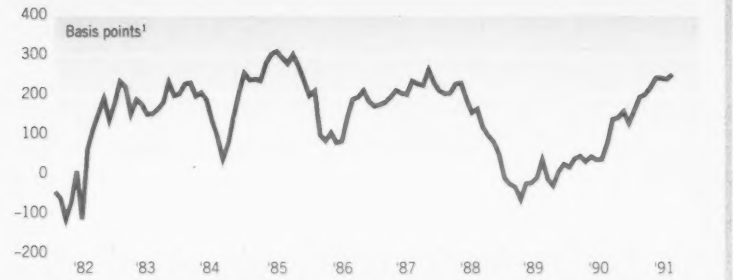
FIXED INCOME REVIEW

BY ERIC S. HARDY

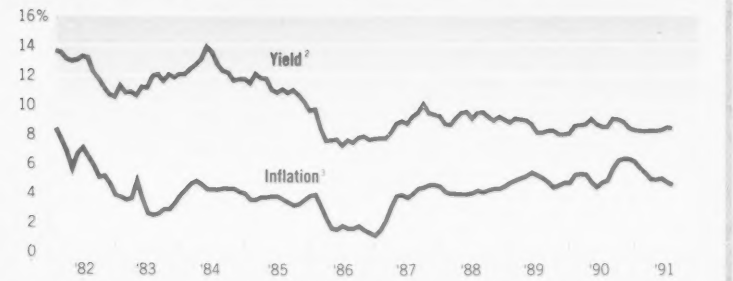
Yield curve



30-year rate minus 1-year rate



Yield vs. inflation



Spread over Treasurys

Security	Basis points[1]
AA corporates	50
AAA industrials	55
Ginnie Maes	66
Junk corporates[4]	723
Municipals[5]	-158

Total returns

Security	1 year[6]	3 years[6,7]
AAA corporates	10.6%	10.8%
Ginnie Maes[5]	11.8	11.9
Junk corporates[4]	15.9	8.6
Municipals[5]	8.7	9.3
Treasury bonds	9.9	10.4

Administration and congressional predictions of record-high federal budget deficits have failed to stem the rather dramatic price gains in Treasury bonds, whose long-term yields have dropped in less than a month's time to 8% from 8.5%. Rates on three-month T bills have fallen to less than 5.4% (equivalent to 5.5% on a bond that pays interest semiannually).

The rally in risk-free U.S. Treasurys also pushed up prices, and therefore pushed down yields, on corporate and municipal issues. But not as much as you would expect. Since early August, says David Madigan, municipal strategies manager at Merrill Lynch, "we've seen long-term municipal bond yields decline only slightly—about 10 or 15 basis points [10 or 15 hundredths of a percent]—while Treasury rates have fallen sharply. This has created one of the best buying opportunities in municipals in several years." Madigan is not too concerned about the creditworthiness of municipals, even in states like New York and Massachusetts, but concedes that an investor who buys expecting easy capital gains might be disappointed. He thus advocates a "buy and hold" in which the investor sweats out the credit scares.

Short-term nongovernment securities (such as commercial paper, bankers' acceptances and repurchase agreements) all yield well below 6%, which helps explain the historically low yields of money market funds. But credit quality remains poor. Moody's Investors Service reports that ratings downgrades are still outnumbering upgrades for corporate bonds of all maturities. During the second quarter the ratio of downgrades to upgrades for corporate debt was more than 3-to-1. Investment-grade bonds fared the best, what with 62 of the 96 downgraded issues being junk bonds.

The "real" yield on Treasury bonds—the gross yield minus an allowance for inflation—is running at around 4%, much lower than it was in the early 1980s *(see Yield vs. inflation chart)*, but not too bad when you figure in today's much lower tax rates.

Note: Except where footnoted, all information provided by Berkeley, Calif.-based Barra, a financial consulting firm. [1]A basis point is equal to one-hundredth of a percentage point. [2]Yield on ten-year Treasurys. [3]The trailing 12-month increase in the Consumer Price Index, through 7/31/91. [4]Source: First Boston. [5]Source: Shearson Lehman Brothers. [6]Data through 7/31/91. [7]Annualized

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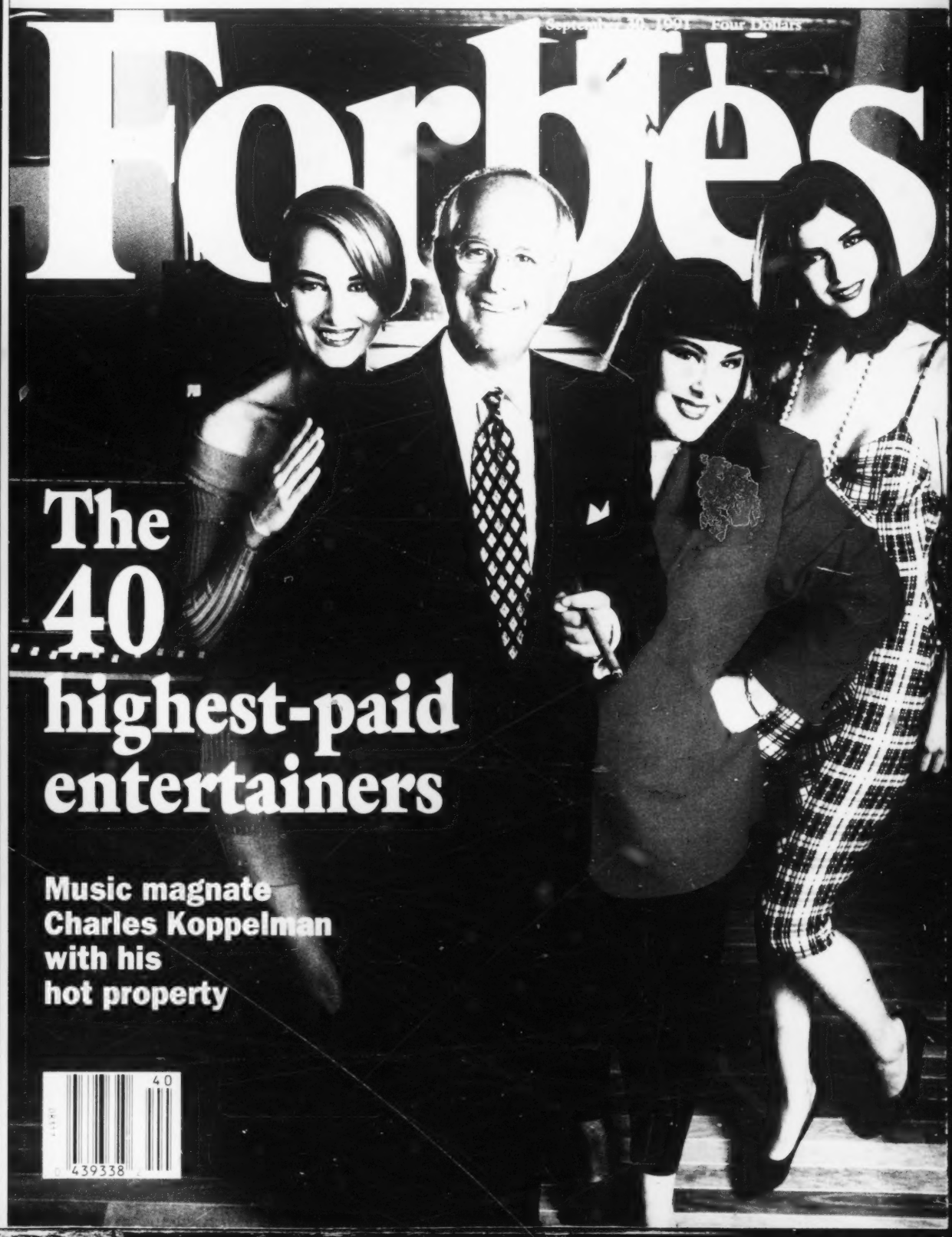
Four Dollars

Forbes



The 40 highest-paid entertainers

Music magnate Charles Koppelman with his hot property

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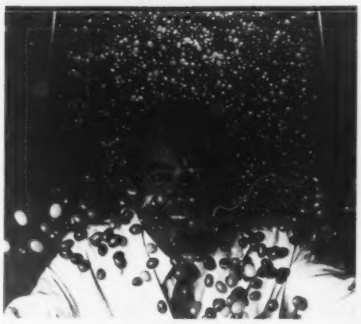

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Sometimes faith alone won't cut it

HOW MUCH FURTHER is this year's steady decline in interest rates likely to go? Political pressure will increase on the Federal Reserve to keep easing, as the 1992 election date gets nearer, to add life to the economy's lethargic recovery. But that pressure and the short-term rate cuts that will probably follow may increase the market's jitters about the long-term course for inflation.

Right now the inflation front looks bright. Most economists now expect the underlying rate of consumer price inflation, excluding food and energy, to be around 3.5% in 1992. This so-called core rate has in the last six months been running barely above this pace. And the prices of producer goods, which eventually feed into consumer prices, have been declining.

Oil prices, too, seem headed down. Iraq is now expected (finally) to be allowed to export some crude, and Saudi Arabia has built up stocks of 60 million barrels, with the deliberate idea that this will help push crude prices down to around $18.70 a barrel, down from a recent $21.30, and so encourage extra demand.

But the yield curve—the relationship among interest rates on Treasury debt securities of various maturities—is saying clearly that the credit markets do not believe we have yet whipped inflation. The curve has been flattening, but with the 30-year long bond still yielding 8%, the difference between very short and very long rates remains well over 250 basis points, much higher than the 160 basis point average since 1986.

"That shows that inflation fears still persist and that investors are not convinced that they can let down their guard," says John Lonski, senior economist with Moody's Investors Service.

There is also concern that the recession did not bring inflation down further, and that companies—notably automakers, despite their business' still being in a slump—are willing to push for 9%-to-11% price increases. Labor costs (mainly health benefits, but to an extent hourly wage rates too) are also ticking up.

The markets are wary that what happened in 1986 and 1987 might be repeated, says Lonski. Back then, oil prices went through the floor, consumer inflation fell to around 1% or so, and long bond rates fell to 7.25%, down from 9.5% in early 1986. But by the middle of 1987, after cheap oil encouraged faster economic growth, long rates moved up sharply, to around 10%, Lonski says.

The implication is that lenders will not be content with a 3% premium to protect their capital against inflation, a spread that would give 6.5% long bonds in 1992. Instead, most traders seem to think the market will demand something close to today's 4% spread, giving a floor for long Treasury rates of around 7.5%.

Sales tax nightmare on Main Street

BROKE STATE AND LOCAL governments are auditing more and more businesses—not just retailers—to find unpaid sales and use taxes. And they are levying sales taxes on more and more items, sometimes confusingly so. In some places sales taxes at varying rates have been added to such items as long-distance telephone calls, automobile leases and previously exempt business-to-business services. Pennsylvania, for example, is to tax computer services from Oct. 1.

Perhaps the most ridiculous extension is California's new snack tax. Under it Ritz crackers are deemed taxable, but saltine crackers are not.

"Compliance is becoming much more complex as the states expand their sales taxes," says AT&T tax attorney James Kratochvill. And more costly. AT&T employs 76 people to file 9,000 sales and use tax returns each year. They also handle the 200 sales tax audits it is presently undergoing, up by about 30% from the mid-1980s.

There are now over 9,000 state and local sales taxes, up by more than 1,500 since 1986, according to Vertex Inc., a Berwyn, Pa. company that sells a software package to cope with this proliferation. Generally, a business must collect sales taxes on goods sold in another state if it has a presence—say a salesman—there. But some states are trying to collect even from companies that sell from catalogs into their states. This contradicts Supreme Court precedent and the High Court is likely to take another look at the issue this year. A national survey of 444 companies conducted for Vertex found that on average these companies had undergone sales tax audits by three different states in the previous 12 months. In 84% of the audits, the states demanded more money. By a wide margin, California is reported to be the most aggressive.

Typically, it costs these businesses 2.1 cents to collect each sales tax dollar. But audits and audit assessments raise that cost to 16 cents of each dollar of sales tax, and more, for smaller companies. "Sales tax compliance," observes Jon Riewe, Vertex vice president for research, "is not something they teach in M.B.A. courses." They don't, but they should. –JANET NOVACK

Want to make the Forbes Top 40? Beware. Success is brief and fortune's fleeting.

It's slippery at the top

RAP MUSIC proved the road to riches for entertainers this year, placing two new names on the Forbes Top 40. One of them is M.C. Hammer, né Kirk Burrell. Hammer's high-energy dance steps and bouncy secondhand grooves helped move more than 15 million copies of his debut album, *Please Hammer Don't Hurt 'Em.* White rapper Robert Van Winkle, a.k.a. Vanilla Ice, cracks the list in the 40th spot. His album *To the Extreme* sold over 12 million copies.

Also new to the list: Xuxa, Brazil's answer to Madonna. Her empire includes film production, an array of merchandise, a travel agency and comic books. But most of her money comes from record sales and her daily TV show. Roll over, Xavier Cugat.

Hollywood dreamboat Kevin Costner jumped aboard with panache. He directed and starred in the Western epic *Dances With Wolves,* which swept the Oscars and grossed over $400 million. Costner's share of the take is some $40 million, but *Dances* was distributed by the nearly bankrupt Orion Pictures. Costner makes our list because he earned the money; getting paid is his problem.

Teen-angst auteur John Hughes *(The Breakfast Club)* wrote and produced *Home Alone,* which grossed $500 million. Welcome also military-techno-thriller writer Tom Clancy and cartoonist Matt Groening, creator of *The Simpsons.*

Atop the list, knocking off perennial leaders Bill Cosby and Michael Jackson, are teenybop heartthrobs New Kids on the Block. In 1990 they sold nearly $75 million in concert tickets and over $1 billion in merchandise. Two-year take: $115 million.

This year the Top 40 bids farewell to Garfield creator Jim Davis and warhorse rock acts Pink Floyd, U2 and the Who. And pop star George Michael, who complained about the rigors of stardom, found his public responding in kind: His new album didn't sell enough to keep Michael on the chart. He'll find it's lonely at the bottom, too. –P.N. ■

New Kids On The Block
pop music group
1991 $ 54,000,000
1990 $ 61,000,000
Total $115,000,000

William H. Cosby Jr.
actor, comedian, author
1991 $ 58,000,000
1990 $ 55,000,000
Total $113,000,000

Oprah Winfrey
TV host, producer
1991 $ 42,000,000
1990 $ 38,000,000
Total $ 80,000,000

Sources: The Licensing Letter; Video Marketing News; Pollstar; Amusement Business; entertainment executives, lawyers, agents and managers.

Madonna
pop singer, actress
1991 $ 24,000,000
1990 $ 39,000,000
Total $ 63,000,000

Michael Jackson
pop singer
1991 $ 25,000,000
1990 $ 35,000,000
Total $ 60,000,000

Kevin Costner
movie actor, director
1991 $ 50,000,000
1990 $ 9,000,000
Total $ 59,000,000

Johnny Carson
TV host, producer
1991 $ 30,000,000
1990 $ 25,000,000
Total $ 55,000,000

The Rolling Stones
rock group
1991 $ 11,000,000
1990 $ 44,000,000
Total $ 55,000,000

Charles M. Schulz
cartoonist
1991 $ 25,000,000
1990 $ 26,000,000
Total $ 51,000,000

Steven Spielberg
movie director, producer
1991 $ 27,000,000
1990 $ 23,000,000
Total $ 50,000,000

Paul McCartney
pop singer, composer
1991 $ 15,000,000
1990 $ 34,000,000
Total $ 49,000,000

Julio Iglesias
pop singer
1991 $ 23,000,000
1990 $ 22,000,000
Total $ 45,000,000

Janet Jackson
pop singer
1991 $ 18,000,000
1990 $ 25,000,000
Total $ 43,000,000

Bruce Willis
movie actor
1991 $ 15,000,000
1990 $ 28,000,000
Total $ 43,000,000

Eddie Murphy
movie actor, comedian
1991 $ 16,000,000
1990 $ 26,000,000
Total $ 42,000,000

Tom Cruise
movie actor
1991 $ 17,000,000
1990 $ 19,000,000
Total $ 36,000,000

Arnold Schwarzenegger
movie actor
1991 $ 15,000,000
1990 $ 20,000,000
Total $ 35,000,000

Aerosmith
rock group
1991 $ 12,000,000
1990 $ 22,000,000
Total $ 34,000,000

M. C. Hammer
rap singer
1991 $ 22,000,000
1990 $ 11,000,000
Total $ 33,000,000

The Grateful Dead
rock group
1991 $ 16,000,000
1990 $ 17,000,000
Total $ 33,000,000

Sean Connery
movie actor
1991 $ 5,000,000
1990 $ 27,000,000
Total $ 32,000,000

Billy Joel
pop singer
1991 $ 5,000,000
1990 $ 26,000,000
Total $ 31,000,000

Jack Nicholson
movie actor
1991 $ 14,000,000
1990 $ 16,000,000
Total $ 30,000,000

John Hughes
movie producer, director
1991 $ 20,000,000
1990 $ 8,000,000
Total $ 28,000,000

Frank Sinatra
singer
1991 $ 14,000,000
1990 $ 13,000,000
Total $ 27,000,000

Michael Douglas
movie actor, producer
1991 $ 12,000,000
1990 $ 15,000,000
Total $ 27,000,000

Guns N' Roses
rock group
1991 $ 21,000,000
1990 $ 4,000,000
Total $ 25,000,000

Michael J. Fox
movie actor
1991 $ 3,000,000
1990 $ 23,000,000
Total $ 26,000,000

Stephen King
novelist, screenwriter
1991 $ 13,000,000
1990 $ 12,000,000
Total $ 25,000,000

Siegfried & Roy
illusionists
1991 $ 15,000,000
1990 $ 10,000,000
Total $ 25,000,000

Prince
pop singer
1991 $ 10,000,000
1990 $ 15,000,000
Total $ 25,000,000

Andrew Lloyd Webber
composer, producer
1991 $ 12,000,000
1990 $ 12,000,000
Total $ 24,000,000

Paula Abdul
pop singer, dancer
1991 $ 10,000,000
1990 $ 14,000,000
Total $ 24,000,000

Sylvester Stallone
movie actor
1991 $ 10,000,000
1990 $ 13,000,000
Total $ 23,000,000

Arsenio Hall
TV host, comedian
1991 $ 12,000,000
1990 $ 11,000,000
Total $ 23,000,000

Tom Clancy
novelist
1991 $ 15,000,000
1990 $ 5,000,000
Total $ 20,000,000

Xuxa
pop singer, TV host
1991 $ 10,000,000
1990 $ 9,000,000
Total $ 19,000,000

Mel Gibson
movie actor
1991 $ 10,000,000
1990 $ 9,000,000
Total $ 19,000,000

Matt Groening
cartoonist
1991 $ 8,000,000
1990 $ 10,000,000
Total $ 18,000,000

Vanilla Ice
rap singer
1991 $ 13,000,000
1990 $ 5,000,000
Total $ 18,000,000

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

Will the market plunge again this fall as it did in October 1987 and October 1989? Probably not. But nervous investors might want to increase their holdings of quality issues that have high dividend yields. With money market funds paying around 5%, such stocks at least offer some downside protection. (For more on this approach, see p. 188.)

Another way to use yield for protection is with convertible instruments. Eric Ryback, manager of the Lindner Dividend Fund, owns several convertibles. Two of Ryback's favorite convertible preferreds are the Sea Containers $4 (recent price, $50) and the Tosco $4.37 (recently $57.50). Healthy yields help convertibles hold up better in bear markets, and their conversion feature helps them participate in bull markets. But remember: Convertibles' conversion prices are often much higher than the current price of the underlying common.

Special focus

Which are better fundamental plays for investors: stocks selling at low price-to-book values? Or stocks priced inexpensively, relative to earnings? According to Barra, Inc., during the 1970s stocks selling significantly below their book values subsequently performed twice as well as stocks with low price/earnings ratios. But this relationship was reversed during the 1980s, when low-P/E stocks were the place to be. One plausible explanation: In the 1970s high levels of inflation made actual earnings less important than the rising value of underlying assets.

Factor returns

The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-2.1%	20.0%	-3.3%
Sharpe/Barra Growth index[1]	-0.4	29.2	-1.9
Sharpe/Barra Value index[2]	-0.1	9.2	-1.4
Dow Jones industrials	0.0	16.9	-1.5
S&P 500	-0.6	21.4	-1.9
NYSE	-0.4	21.2	-1.7
Nasdaq	-0.3	36.5	-1.8
Amex	0.3	13.8	-7.0
EAFE[3]	0.9	2.0	-22.0
CRB index[4,5]	1.5	-10.9	-21.8
Gold[5]	-2.1	-11.1	-30.9
Yen[5]	-0.6	-3.6	-17.2
Oil[5]	-1.0	-31.0	-47.3

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Pansophic Systems	15 3/8	45%	$ 0.97	Dean Foods	32 3/8	-34%	$3.02
Harken Energy	7 1/4	35	NA	Deprenyl Research	13	-32	NA
Hondo Oil & Gas	14 7/8	34	NA	Bergen Brunswig	21 3/4	-23	NA
Medimmune	27 1/4	33	0.08	Oregon Steel Mills	27 3/4	-22	2.60
Immune Response	22 1/2	32	-0.32	Continental Bank	12	-22	1.55

The best and worst performing industry factors[5,8]

Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Gas utilities	2.4%	5.6%	Thrifts	-6.2%	15.8%
Paper	2.0	15.0	Pollution control	-5.2	-2.8
Railroads, transit	1.9	37.2	Real estate	-4.2	18.7
International oil	1.9	21.3	Retail food	-4.2	9.8
Telephone, telegraph	1.3	9.7	Precious metals	-4.0	-22.7

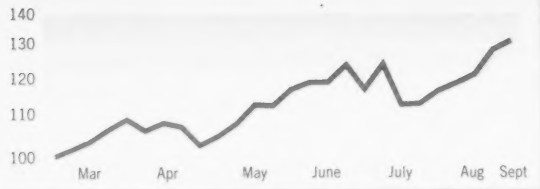
Note: Data for period ending 9/5/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of a portfolio of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from Lynch, Jones & Ryan. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. NA: Not available. Principal source: Barra, Inc., Berkeley, Calif.

INDUSTRY REVIEW

BY GILBERT STEEDLEY

Best industry over the last 6 months

Textiles



Worst industry over the last 6 months

Offshore drilling

The market loves a turnaround story—or so it seems from a look at Wall Street's favorites. Textile manufacturers, electronics stores and banks show up on Media General's database as the best-performing industries since March. "Investors are anticipating improved business conditions for textiles," says Kay C. Norwood, a Senior Vice President at Charlotte-based Interstates/Johnson Lane.

The recession and a lack of exciting new products drove some consumer electronics retailers into bankruptcy. Nevertheless, stocks in this group have climbed 39% on average since early March.

Unlike their beleaguered counterparts, Mountain states' banks were quietly posting a 38% price gain over the last half-year. "These banks are on an upward side of the recovery and are already seeing better times," says Jay Tejera, a bank stock analyst at Dain Bosworth in Seattle.

Leading industries

Textiles

Company	Recent price	6-month price change	Latest 12-months EPS	P/E
Aileen	11 5/8	232%	$0.74	16
Delta Woodside Inds	19	114	0.94	20
Unifi	40 3/4	55	2.02	20
Russell	29 1/8	9	1.22	24
Guilford Mills	23 7/8	9	1.58	15

Electronics, retailers and distributors

Company	Recent price	6-month price change	Latest 12-months EPS	P/E
Best Buy	23 3/8	183%	$0.75	31
Arrow Electronics	12 1/8	106	0.50	24
Good Guys	27 1/2	76	0.90	31
Fretter	6 3/4	38	0.07	NM
Circuit City Stores	22 5/8	19	1.16	19

Mountian state banks

Company	Recent price	6-month price change	Latest 12-months EPS	P/E
Valley Capital	34 3/4	88%	$3.16	11
Affiliated Bankshares Col	22	50	1.07	19
Valley National	28	43	1.33	21
Colorado Natl Bankshares	20 1/2	41	0.47	44
Zions Bancorp	48 1/2	34	4.75	10

Lagging industries

Offshore Drilling

Company	Recent price	6-month price change	Latest 12-months EPS	P/E
Noble Drilling	5 5/8	-24%	$-0.23	NM
Zapata	7/8	-22	-2.62	NM
Energy Service	2 1/2	-13	-0.12	NM
Global Marine	4	-11	-0.14	NM
Diamond Shamrock Offshore	4	3	0.38	11

Airlines

Company	Recent price	6-month price change	Latest 12-months EPS	P/E
Continental Airlines Hldg	2 3/8	-49%	$-60.30	NM
USAir	12 1/8	-47	-13.32	NM
Delta Air Lines	65 1/4	-16	-7.73	NM
UAL	132 1/2	-11	-5.38	NM
AMR	57 1/8	-6	-3.29	NM

Contracting

Company	Recent price	6-month price change	Latest 12-months EPS	P/E
Dravo	9	-32%	$-1.30	NM
McDermott Intl	19 7/8	-28	-1.58	NM
Dycom	10 7/8	-25	0.35	31
Kasler	10 5/8	-13	0.50	21
Brand Cos	19 1/4	6	0.66	29

Industry performance is based on 6-month price change. Industries listed above have a market capitalization of $100 million or more and at least 5 companies. NA: Not available. NM: Not meaningful. All data ending 9/5/91. Source: Media General, via Lotus One Source.

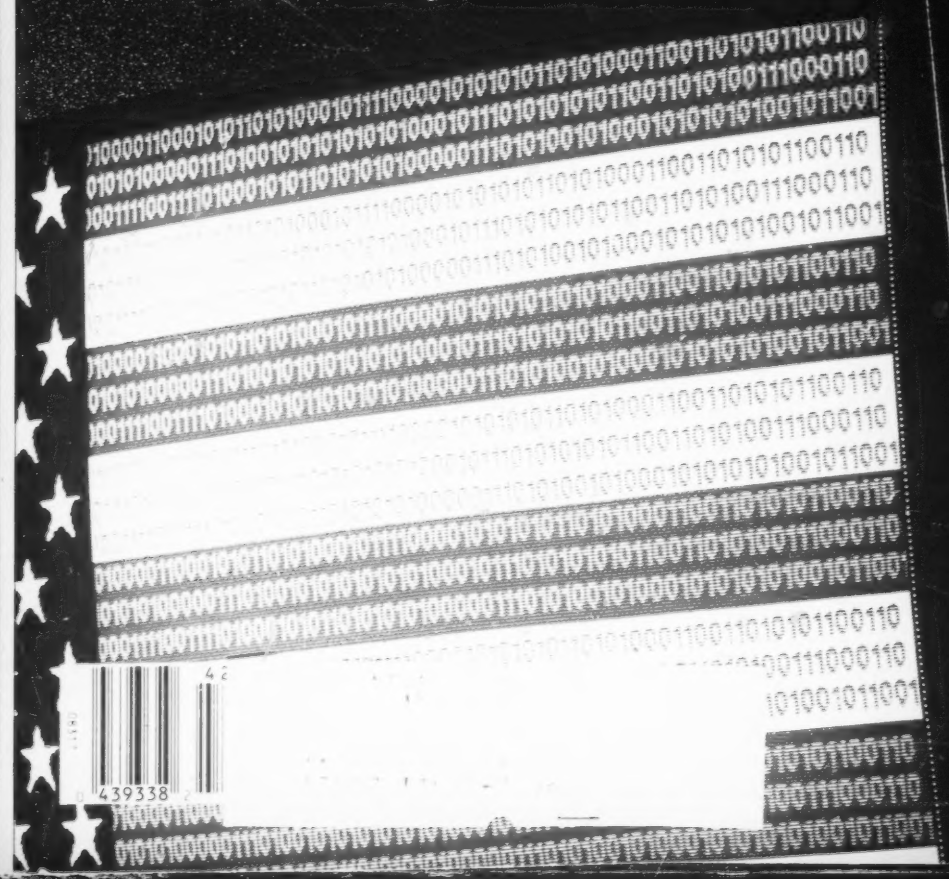
Thomas Sowell: Don't blame the kids, blame the educators

October 14, 1991 Four Dollars

Forbes

Smart TV

The Japanese hammerlock on consumer electronics is threatened. Will U.S. industry seize the moment?



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Forget TV sets. In three years there won't be any.
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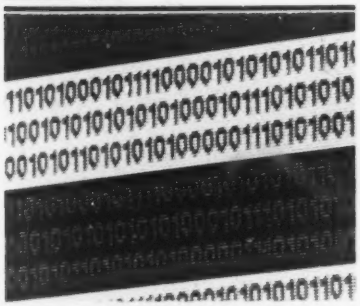

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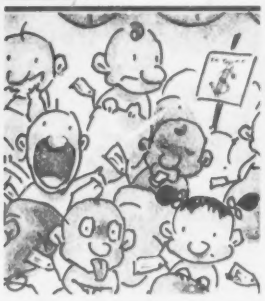

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Editorial index is on page 8

Cover photo by Lester Lefkowitz

strong case that Environmental Protection Agency regulations are a violation of Fifth Amendment prohibitions against taking private property. More importantly, expropriation of property results in the loss of the pricing signal that is essential for making efficient market decisions. When land prices are artificially set close to zero by government decree, it does not seem costly to use land for environmental purposes. Unfortunately, the true land price is hidden and inefficient public choice decisions are likely to result.

–James L. Doti
President
Chapman University
Orange, Calif.

Watch for splits

Sir: I was shocked to see Dean Foods listed as the "worst" performing stock in your Forbes/Barra Wall Street Review *(Sept. 30)*. The drop in the share price reflects a 3-for-2 stock split—not poor performance!

–Howard Dean
Chairman and Chief Executive
Dean Foods Co.
Franklin Park, Ill.

Editor's note: Our data supplier's computer missed a number of recent stock splits, and, unfortunately, our data checkers did not detect this error. Here are the correct split-adjusted 2-week changes for these stocks as of the market close on September 5, 1991:

Bergen Brunswig –3.8%
Dean Foods –0.6%
Deprenyl Research 35.0%

Read the instructions

Sir: Re Thomas Sowell's column on computer and VCR instructions *(Sept. 16)*. While users guides may not be as clear and concise as they could be, the largest problem is laziness and incompetence on the part of the user.

People who are willing to *read* the instructions before trying to obtain instant operation of their computer or VCR are often successful. Those who expect "one button" operation from their computer or VCR will soon find themselves in a frustrated rage.

–James A. Lesh
Bloomington, Ind.

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Manufactured by IWC Schaffhausen
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Sapphire crystal – Integrated function actuators – Water-resistant to 60 meters
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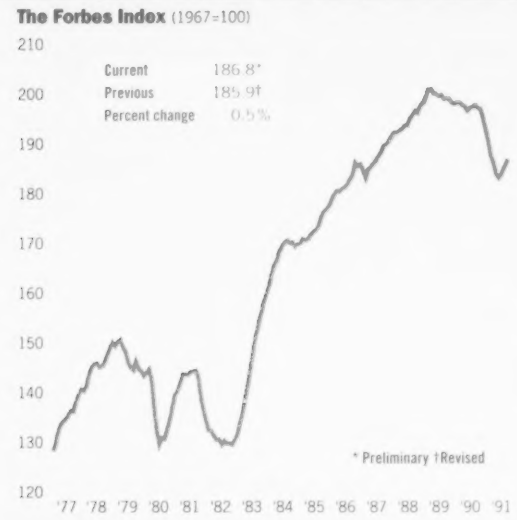
*Manufacturer's suggested retail price.

THE FORBES INDEX

BY TIMOTHY DODMAN



Americans still have an appetite for foreign products. A large rise in imports—especially consumer goods and autos—pushed the merchandise trade deficit up 56% from June to July. But exports remain strong, too: July's deficit of $5.9 billion is a big improvement over the $9.1 billion trade deficit posted in July 1990. Meanwhile, residential construction has yet to show a substantial recovery, even though mortgage rates are at their lowest level since 1978. New privately owned housing starts fell 8.5% in August and are 7.3% below depressed year-ago levels.

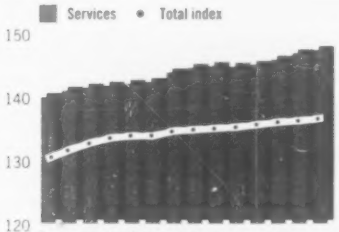
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.0%
Auto sales year to date vs 1990[1]	Ward's Automotive	-11.6%
Index of leading indicators July vs June	Dept of Commerce	1.2%
Trade balance 12 months ended July 1991	Dept of Commerce	-$81 bil
All-commodity producer price index Aug vs July[2]	Dept of Labor	0.3%
GNP 2nd quarter vs. 1st—annualized growth	Dept of Commerce	-0.1%
M2 (3-month change)—annualized growth[3]	Federal Reserve	0.5%

[1] U.S. based manufacturers, excludes imports, as of 9/10/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

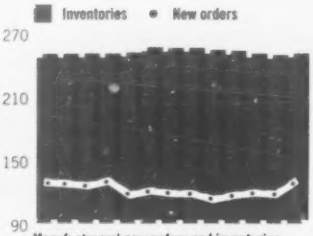
Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

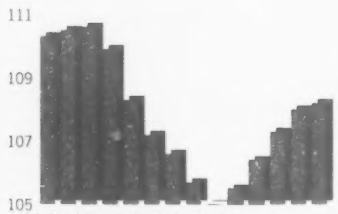
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



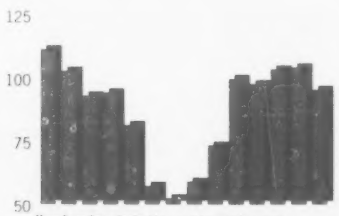
Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)



Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

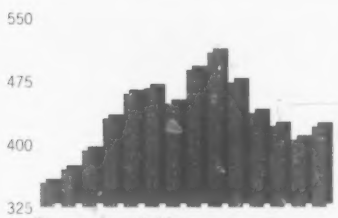


Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

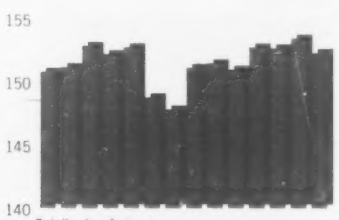


New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)

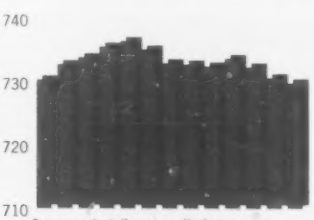
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)



New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)



Retail sales ($billions), seasonally adjusted (Dept of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

J A S O N D J F M A M J J A J A S O N D J F M A M J J A J A S O N D J F M A M J J A

A new economic grouping is emerging in Central Europe that is eager to buy practically everything America has to sell. Naturally the Western Europeans are worried.

Welcome to the dollar bloc

By Peter Fuhrman

DON'T BE MISLED by all the tales of economic gloom in Poland, Hungary and Czechoslovakia, as those countries probe their ways toward market economies. Statistically, it is true, their national incomes will contract by 5% to 10% this year. But these declines simply reflect the closure of old socialist industries—the write-down, as it were, of obsolete plant, equipment and inventory. What the figures don't disclose is the explosion in consumer spending and investment now under way in the Central European countries.

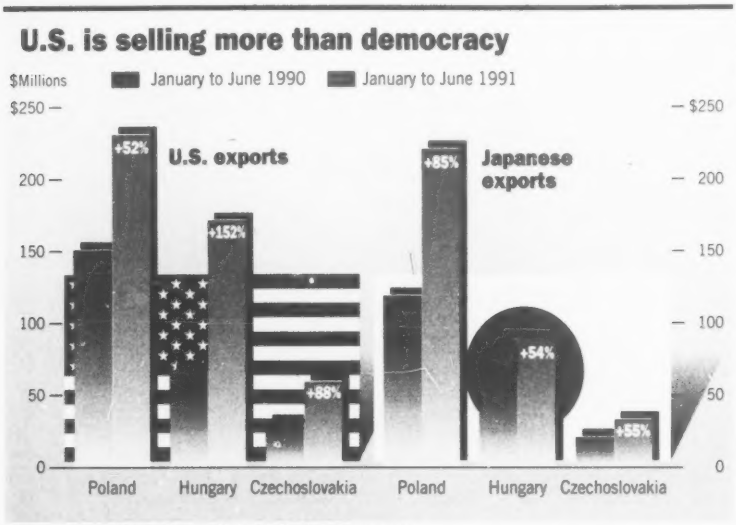
Arising from the ashes and debris is a Central European Community. A primary market of 65 million consumers—with another 245 million in the wings in Bulgaria, Romania, Russia, the Baltics and the Ukraine—the CEC is pro-America, pro-free trade and very pro-dollar. The exchange rates for these three countries are pegged to the dollar, either formally by their central banks or informally by the (no longer black) market.

This has real-world consequences: Wherever the dollar is king and markets are open, as in most OPEC countries and parts of Latin America, U.S. merchandise exports tend to do best. Through the first half of this year, U.S. exports to Poland, Czechoslovakia and Hungary are up by 85% over the same period a year ago, to a total $464 million *(see chart, p. 102)*. Though this is from a low base (U.S. exports to South America run to $15 billion a year), this growth outstrips that of U.S. exports to any other region. Also, given how much U.S. merchandise is being imported through unofficial channels, these trade statistics undercount the growth in U.S. exports to the region.

Every day, trains and cars from Berlin, Brussels and Vienna arrive in Warsaw, Budapest and Prague stuffed with Apple computers, Sony tape players, Levi jeans. Some of the goods remain. Some move east along new trade routes that extend into former Soviet territory. On the train from Warsaw to Vilnius in Lithuania, for example, passengers set up cardboard counters to sell electronic goods and clothing. Others bargain all night with one another and the conductors. Medium of exchange: dollars.

In Poland alone it's estimated there is at least $8 billion in U.S. currency in circulation as a parallel currency with the zloty. Poland's 40 million citizens have another $30 billion or so stashed in private bank accounts inside and outside Poland. The Polish central bank just issued $5.5 billion of its own dollar-denominated Treasury stock to Polish customers. These Polo-dollars further enhance Poles' confidence in their country's finances.

Walk around Warsaw's Marszalkowska Street, the city's main shopping area, and the shops and sidewalk



Germany, with its strength in industrial exports, remains the CEC's largest trading partner. Consumers' cash is driving much of the growth in dollar-denominated exports from the U.S. and Japan.

stalls are crammed with Procter & Gamble detergents, Reebok sneakers, Mobil motor oil, Estée Lauder cosmetics. Down one side street, cigarette sellers hawk cartons of Marlboros, made in the U.S. but without tax stamps, for $9.50—far cheaper than anywhere else in Europe. One can pay in dollars or zlotys—or for that matter, rubles: The exchange rate between the zloty and the ruble is fixed against a dollar peg. (Current rate: $1 = 11,000 zlotys = 35 rubles.)

It's not just sneakers and software that are selling. The U.S. is strongest where Central Europe is weakest—in services. The largest operator of restaurants and food retailing shops in Hungary is majority-owned and managed by George Hemingway, a 44-year-old Hungarian-born Californian. (His eponymous holding company is quoted on the Vienna Stock Exchange.) American Express' travel office in Warsaw has been besieged since it opened in June. Poles want AmEx's charge card, though in many cases the applicant is really a company looking to use the card as a form of dollar-based commercial credit.

American films, videos and recorded music are everywhere. U.S. accounting firms—Arthur Andersen, Ernst & Young, Coopers & Lybrand—are having a field day in Central Europe, acting as auditors to local companies, advisers to governments on new tax statutes and investment bankers for Western firms hunting for assets. Big Wall Street firms—including Goldman, Sachs, Morgan Stanley and First Boston—are active in the region. Major Madison Avenue advertising agencies are also in the chase, led by Young & Rubicam, which has offices up and running in Budapest, Prague and Warsaw.

"The three Central European countries are soaking up everything we can deliver, and overall sales should double again this year to $300 million," says Jakob Schmuckli, president of Sony Europe. "But all this has been achieved without any real advertising effort, which we're only just beginning."

Admirably, these newly emergent democracies are showing less willingness to go on protecting their own industries in the European Community's fashion, with quotas and local content rules. Open markets mean open season for U.S. and Japanese capital goods exporters. In Central Europe, U.S. computer companies like IBM and Compaq and Japan's NEC are trouncing their Western European counterparts. Likewise in telecommunications. AT&T is regularly thwarted in its efforts to sell switching equipment in protectionist Germany and France, but has walked away with valuable contracts in Poland. GTE is building a cellular telephone system in Hungary.

A question mark, however, hangs over the issue of free trade in automobiles. For now, Polish and Czech markets are effectively monopolized by domestic car producers tied to Western European firms. In Poland, FSM is affiliated with Italy's Fiat. In Czechoslovakia, Skoda is now owned by Germany's Volkswagen. There are no formal government promises (yet) to keep Poland and Czechoslovakia closed to imports. But Fiat and Volkswagen will push hard to remain the privileged providers. (In Hungary, which never had a domestic automobile industry, the gates have been thrown open.)

Western Europe's carmakers fear that, left to their own free-trade devices, the Central European countries could become a back door through which Japanese-made cars might flood into Western European markets. To bar such competition, European Community bureaucrats are now hinting that the Central Europeans may have to agree to limit Japanese car production and imports if they want someday to pass muster as applicants for membership in the EC.

Such an EC-imposed trade restriction would put the Central European countries in a bind: They need free access to Western European markets, especially for their food products. But they know in their heart of hearts that they also need as free as possible trade and investment to achieve swift economic renewal.

It all amounts to a most provocative experiment in postcommunist political economy. The Western Europeans hope to maintain their comfortable standard of living and defend many of their least competitive industries with subsidies and trade barriers. The Central Europeans need to improve their material conditions, and are convinced that open trade and investment policies offer the only hope of doing that. Stasis versus dynamism: Whichever wins will have a profound impact on the economic future of Europe. ■

Who's got the best science?

COMMENTARY BY MICHAEL GIANTURCO

Michael Gianturco is president of The Princeton Portfolios, a New Jersey asset management firm that specializes in science and technology stocks.

MOST scientific papers produced in the U.S.—over 63% of them—come from just 13 states. Each of these science superstates has been responsible, over the past five years, for more than 50,000 papers, according to data compiled by the Institute for Scientific Information in Philadelphia. The top 7 states were California (with 306,000 papers), New York, Massachusetts, Texas, Maryland, Pennsylvania and Illinois. From Illinois came about 115,000 papers, and the remaining 6 states published fewer than 100,000 papers each.

Such large numbers—science by the bale, as it were—provide intriguing advertising copy for state development agencies and chambers of commerce in the 13 big science states. But the information is too coarse-grained to be of much use to investors, venture capitalists, regional economists, developers or other businesses users.

It is much more helpful to look at the scientific profile associated with individual zip codes. The idea is to identify, however imperfectly, places where excellent scientists work. Such a table is presented here. The 12 best zips in American science are ranked. Along with each zip code are noted one or more corporations or research institutions that account for the research citations.

For a company or institution to turn up in this ranking, it is not enough to simply publish scientific papers in bulk quantities. To qualify, the papers must report findings important enough to have been widely noted—that is, formally cited many times, in other scientific papers written by other scientists. Citations of scientific papers are compiled in the annual *Citation Index*, which is prepared and published by ISI.

By dividing the number of papers published by a given lab into the number of times its papers are cited by outside scientists, analysts can gain a feel for how useful or significant that laboratory's papers might be, at least in the view of its peers. (Scientists may or may not agree with a paper, but the fact that they cite it in their own papers signals they are paying attention.) This ratio of citations to papers, called the "citation impact," can also be used to evaluate the scientific output of individual scientists, of universities, companies, states and—for our purposes—zip codes. Citation impact was used by David Pendlebury of ISI to identify the "hottest" zip codes in America for scientific visibility.

Some caveats: First, some superb science goes unheralded and uncited. It happens in every generation. Citations show only what is being vigorously discussed currently, that is, what is scientifically fashionable. Second, biomedical and biotechnology research tends to draw more citations than papers in other fields. For investors, this could be useful, but note that the rankings inherently favor biomedical over physical science. For a ranking of biotechnology companies by citation impact, see my Dec. 10, 1990 FORBES column.

The ranking is just a place to begin, not a bottom-line stock analysis, so there are no stock recommendations to be extracted. Note, however, the rising importance of the Swiss company, Hoffmann-LaRoche, in American science. Genentech and a significant asset created by Cetus (the polymerase chain reaction that is used to multiply specks of DNA into measurable quantities) have both been sold to Hoffmann-LaRoche. Both companies, along with Hoffmann-LaRoche itself, are ranked very high on this list. Note also the increased scientific strength of the already impressive Chiron Corp., which has purchased the rest of the assets of Cetus. ■

The "hottest" scientific papers published in the U.S. since 1986 originated in these zip codes.

The 12 best addresses in American science

Zip code	Citations per paper	Community or locale	Institution or company
02142	24.6	Cambridge, MA	Whitehead Institute
11724	22.0	Long Island, NY	Cold Spring Harbor
94080	18.9	So San Francisco	Genentech, Inc
94608	18.3	Emeryville, CA	Cetus Corp; Chiron Corp
			DNA Plant Technology
92138	13.9	La Jolla, CA	Salk Institute
94043	12.6	Mt View, CA	California Biotechnology
			Polyatom Research Institute
			Lightwave Electric
80206	11.3	Denver, CO	Natl Jewish Ctr Immunology
98101	11.0	Seattle, WA	Immunex Corp
92037	10.1	La Jolla, CA	Scripps Clinic
			La Jolla Cancer Research Fdn
20850	9.7	Rockville, MD	U of Maryland Biotech Ctr
			Biotech Research Labs
			Otsuka American Pharm
20892	9.7	Bethesda, MD	National Institutes of Health
07110	9.6	Nutley, NJ	Hoffmann-LaRoche

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

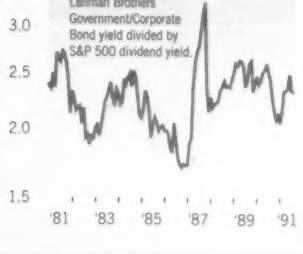
The overall market is selling for 23 times trailing earnings. Isn't that rather steep? Or is the market correctly discounting the future?

The Bank Credit Analyst, a Montreal-based economic and financial markets forecasting service, anticipates that U.S. corporate profits, with the help of declining interest rates and low inflation, will rise sharply in 1992. Another service concurs: The Institutional Brokers Estimate System expects that earnings of the S&P 500 will rise 27% in 1992. Says a third source, Prudential Securities market analyst Larry Wachtel: "One major difference between now and the [1987] crash is that interest rates are falling, not rising as they were in October of 1987." Wachtel says the market could go a bit higher, if investors move from low-yielding money funds into stocks. But the biggest question is whether those 1992 earnings forecasts can be trusted.

Special focus

Over the last ten years, bond yields have averaged 2.3 times stock yields (as measured by the Lehman Brothers Government/Corporate bond index and the S&P 500 stock index). In September 1987 this ratio climbed to 3.3, but stock prices crashed in October 1987. Now, with bonds and stocks in a rally, yields on both are falling. The ratio has stabilized around 2.3, near the long-run average. But if inflation returns and bond yields rise again, stocks may take a beating.

Relationship of bond to stock yields



The overall market

Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	0.0%	20.7%	-1.8%
Sharpe/Barra Growth index[1]	-0.3	32.4	-2.1
Sharpe/Barra Value index[2]	-0.3	20.9	-1.8
Dow Jones industrials	0.5	20.1	-1.0
S&P 500	-0.4	24.4	-2.3
NYSE	-0.3	24.2	-2.0
Nasdaq	1.1	43.4	-0.7
Amex	-0.2	16.2	-7.1
EAFE[3]	2.0	8.3	-20.4
CRB index[4]	1.9	-8.6	-20.4
Gold[5]	0.3	-10.6	-30.7
Yen[5]	-1.0	-2.4	-18.1
Oil[5]	0.2	-37.3	-47.1

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Vestar	12 5/8	44%	$-0.32	Digital Systems Intl	9 1/4	-45%	$1.17
Network General	13 3/8	41	0.61	Alias Research	12	-37	0.86
Nova Pharmaceutical	7 1/2	36	-0.20	Transco Energy	19 7/8	-27	1.54
Platinum Technology	17 3/8	35	0.23	Atmel	10 3/8	-23	0.90
Liposome	14	33	-0.39	SynOptics Communications	21	-22	1.81

The best and worst performing industry factors[8,9]

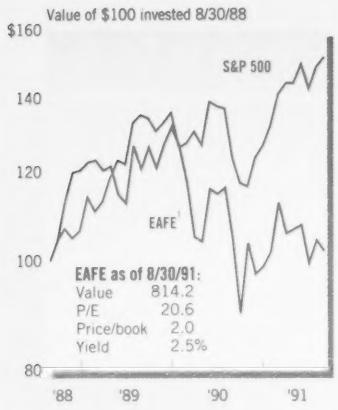
Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Tobacco	5.9%	54.3%	Oil service	-3.4%	-1.4%
Leisure, luxury	3.3	36.1	Construction	-3.3	11.3
Life insurance	3.2	18.2	Electronics	-2.9	17.0
Containers	2.4	31.4	Aluminum	-2.8	6.4
Drugs, medicine	2.2	41.1	Paper	-2.3	13.1

Note: Data for period ending 9/19/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of a portfolio of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from Lynch, Jones & Ryan. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. Principal source: Barra, Inc., Berkeley, Calif.

WORLD MARKETS REVIEW

BY GUSTAVO LOMBO

Foreign vs. U.S. markets



Developed markets

Market	Total return[2] 3 months	12 months	P/E
Hong Kong	9%	37%	12
Australia	7	8	13
Denmark	6	1	NM
United Kingdom	5	14	15
United States	2	27	19
Austria	-11	-25	30
Italy	-11	-20	15
Finland	-10	-22	59
Japan	-10	-4	35
New Zealand	-10	-24	8

Emerging markets

	Total return[2] 3 months	12 months	P/E
Region			
Latin America	32%	67%	NA
Asia	-3	-4	NA
Country			
Brazil	56	37	11
Chile	33	127	15
Pakistan	31	51	13
Greece	-19	-45	9
Turkey	-17	-61	18
Indonesia	-16	-42	18

Through August the 1991 total return on the S&P 500 was 22%. In contrast, Morgan Stanley's Capital International Perspective dollar-denominated EAFE index of 1,100 European, Australian, New Zealand and Far Eastern stocks returned only 4%. The strong dollar was part of the reason, but so were some weak overseas markets. Japan, in particular, pulled down the index. Japanese shares have a weight of 27% in the EAFE index, and so far this year the return (in dollars) on Japanese stocks has been only 0.2%.

But other foreign markets have been strong. Since January the Morgan Stanley index for Hong Kong posted a 40% total return. Chris Thompson, managing director of W.I. Carr (America) Ltd., a stock brokerage firm specializing in Asian markets, points out that as a leading exporter of consumer goods made in China, Hong Kong is benefiting from higher output from Chinese factories, many of them in the neocapitalist southern provinces (FORBES, *Aug. 5*). Nevertheless, there remains a great deal of uncertainty about what will happen when communist China takes control of Hong Kong in 1997.

Who's hot

Company/Country	Business	Price	3-month price change	P/E
Schmalbach-Lubeca/Germany	materials	340¾	68%	27
Vard A/Norway	transportation	12⅞	38	10
Printemps AU/France	merchandising	146⅞	36	19
Siebe/UK	multicompany	8⅝	29	9
Showa Shell Sekiyu/Japan	energy	14⅛	26	52

Who's not

Company/Country	Business	Price	3-month price change	P/E
Matsuzakaya/Japan	merchandising	15⅝	-38%	21
Nouvelles Galeries/France	merchandising	97¾	-32	17
Massa/Germany	merchandising	154⅝	-29	40
Nobel Industrier/Sweden	aerospace & tech	7⅛	-29	8
Universale-Bau/Austria	construction	168⅞	-28	41

Cheap foreign stocks

Company/Country	Business	Price	Earnings	P/E
ABN-AMRO Hldgs/Netherlands	banking	20½	$2.76	7
British Gas/UK	utility	4	0.48	9
Tel de Espana/Spain	telecom	9	0.76	12
Daimler-Benz/Germany	automobiles	433½	27.44	16
Canal +/France	broadcast, pub	186	8.38	22

High-yielding foreign stocks

Company/Country	Business	Price	Yield	P/E
Trafalgar House/UK	multicompany	4¼	9.7%	23
Winsor/Hong Kong	textiles, apparel	1¼	8.3	13
Transalta Utilities/Canada	utility	11⅛	7.7	12
Natl Australia Bk/Australia	banking	5⅜	7.3	12
Thyssen/Germany	metals, steel	135⅛	6.6	8

Note: Data for period ending 8/30/91. Selected stocks have a market capitalization of at least $300 million. [1]Shows price return on the EAFE index of European, Australian, New Zealand and Far Eastern stocks converted into U.S. dollars. [2]Performance numbers reflect both local price change and currency fluctuation. Dividends are reinvested after subtracting foreign withholding tax. NA: Not available. NM: Not meaningful. Principal source: Morgan Stanley Capital International Perspective. Emerging markets data provided by International Finance Corporation for period ending 7/31/91.

Latin government debt has come so far in the past five years that you could almost call it investment grade.

Latin bonds

By Eric S. Hardy

ANYONE BUYING Argentinean government bonds a year ago as anything but a rank speculation would probably have been dismissed as a kook. But look at what happened. The dollar-denominated 7.375s of 1999 have been current on interest payments since their issue in August 1987, and their price has climbed from 51 (that is, 51 cents per dollar of face value) to a recent 79.

Latin America is discovering the benefits of capitalism and free enterprise. The Chilean economy, freed of its old feudal and statist restraints, has been growing steadily since 1984. Argentina has reduced its inflation rate from 27% monthly to 2.6% this July. Brazil, Bolivia and Peru, none of them with reputations of fiscal virtue, are now reducing government spending. J.P. Morgan, which recently underwrote a $300 million issue of two-year, U.S.-dollar-denominated Argentinean bonds, even predicts that Argentina will run a budget surplus over the next four quarters. There must have been some believers, because investors accepted a yield of only 11% on the issue. U.S. corporate junk bonds pay more.

"I'm seeing much more interest in Latin American debt, both government and corporate," says Merrill Lynch economist Frank Fernandez, whose firm is creating a performance index for developing country debt.

For yield-hungry investors, many of the issues still look interesting. Be careful: Issues such as those sampled in the table remain very illiquid, at least compared with U.S. Treasury paper. Also, you have to know what you are buying. Note the huge price discrepancy between the two Brazilian issues. The first is the highest-quality bond of that country, a general credit obligation of the Brazilian government, while the second, issued as part of a debt restructuring, is paying only partial interest.

If you want professional management, consider Megy Income Fund, run by Hector Megy, a 38-year-old native of Argentina who now lives in Palm Beach, Fla. His new fund invests mostly in Latin American bonds and is no-load but has a $100,000 minimum and projects a steep 2.4% annual expense ratio. It appears to be the only thing close to a pure-play Latin bond fund, but some international funds, including Templeton Global Income Fund and GT Global Latin America Fund, have around 10% of their assets in Latin debt.

Latin dollar bonds

Country	Moody's rating	Maturity	Coupon	Recent price	12-month high	12-month low	Current yield	Yield to maturity	Amount outstanding ($mil)	Inflation[1]	Economic growth[2]
Argentina	—[3]	10/25/99	7.38	79	79	51	9.3%	12.6%	$500	2,311%	-0.9%
Argentina	—[3]	5/31/97	9.63	38	51	36	NM	NM	425	2,311	-0.9
Brazil	B2	10/15/99	7.31	85	85	66	8.6	10.4	670	2,928	-4.6
Brazil	—[3]	11/30/03	11.13	39	55	33	NM	NM	90	2,928	-4.6
Chile	—[3]	12/31/05	7.31	91	91	77	8.0	10.8	77	26	2.1
Colombia	Ba2	3/31/94	7.63	83	87	66	9.2	9.8	813	29	4.2
Mexico	Ba3	12/31/19	6.25[4]	59	59	42	10.6	12.0	21,000	27	3.9
Peru	—[3]	12/31/07	9.94	13	21	11	NM	NM	300	3,399	-4.3
Uruguay	—[3]	2/18/07	7.38[4]	80	80	70	9.2	10.3	447	113	1.5
Venezuela	Ba2	3/31/20	6.75[4]	68	70	47	9.9	11.8	6,700	41	4.4
United States	Aaa[5]	8/15/20	8.75	109	110	102	8.0	7.9	21,419	5.4	1.0

[1]Price level increase, December 1989 to December 1990. [2]Percent change in gross domestic product, 1990, except Uruguay, which is for 1989. [3]Not rated. [4]Principal guaranteed by zero coupon U.S. Treasury obligations. [5]U.S. government debt is not rated but would receive the highest (Aaa) credit rating if it were. NM: Not meaningful; bond is either nonperforming or pays only partial interest.

Sources: International Monetary Fund; Merrill Lynch Capital Markets; Megy Investment Advisors; Moody's Investor Services.

Countries south of the border don't quite rank with the U.S. in credit quality, but investors can at least insulate themselves from currency risk by sticking to bonds payable in U.S. dollars.

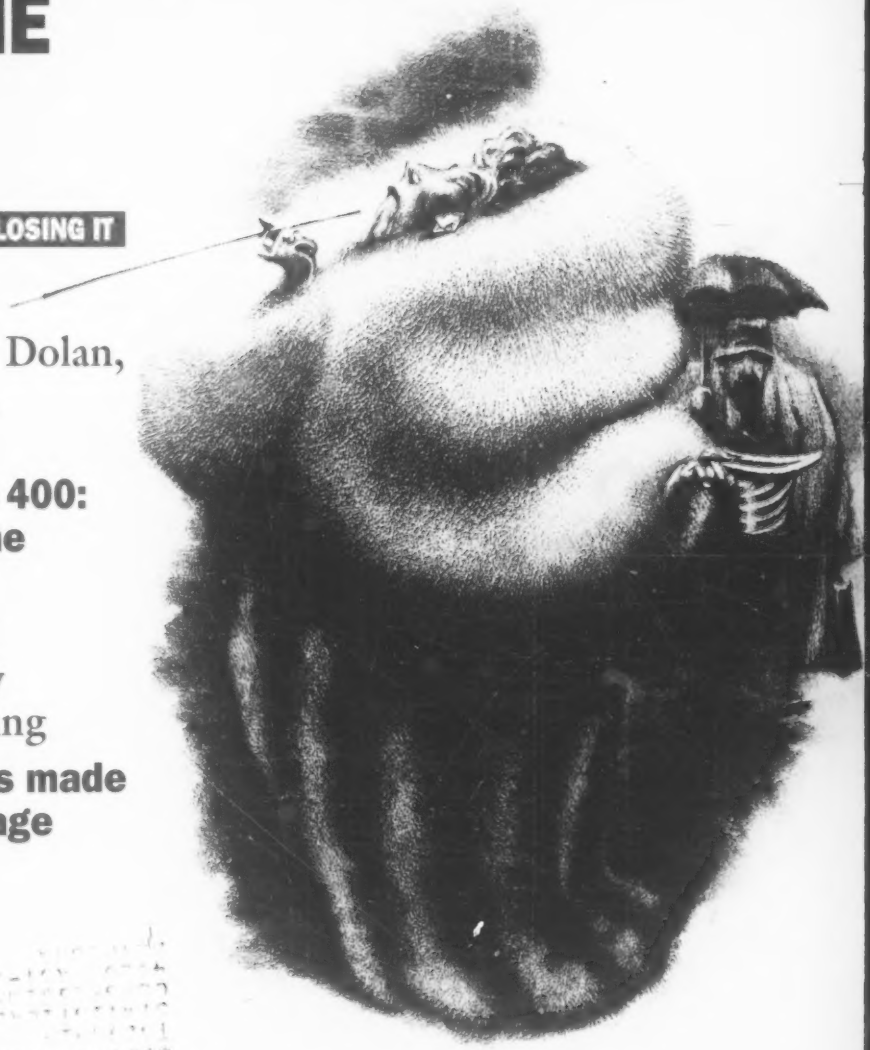
The 400 richest people in America

1991 Edition Five dollars

Forbes

WHEN THE RICH GO BROKE

GETTING IT, KEEPING IT, LOSING IT



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Dropping off The 400: What Oliver Stone doesn't tell you about being rich

Why the Kennedy fortune is dwindling

How John Rangos made gold out of garbage

Divorce among the very rich

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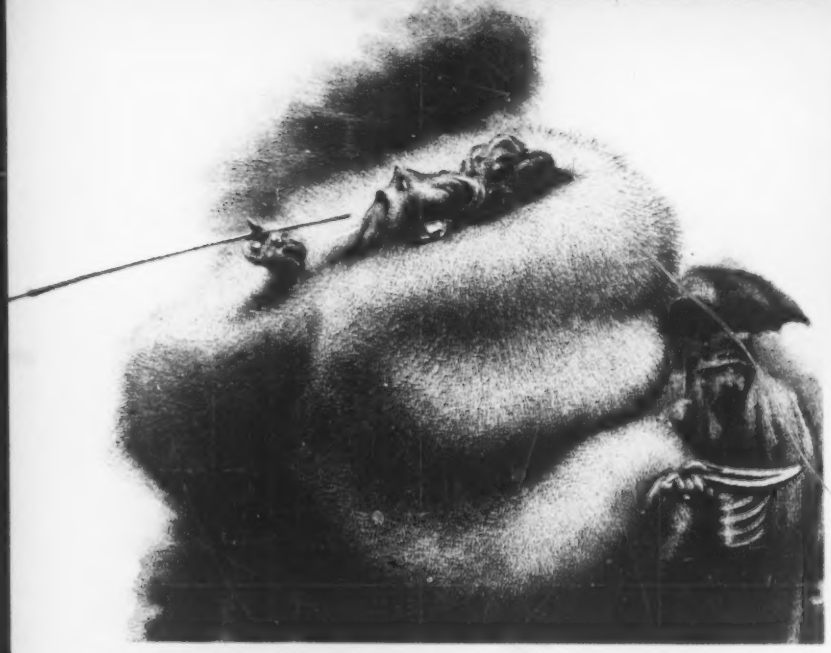

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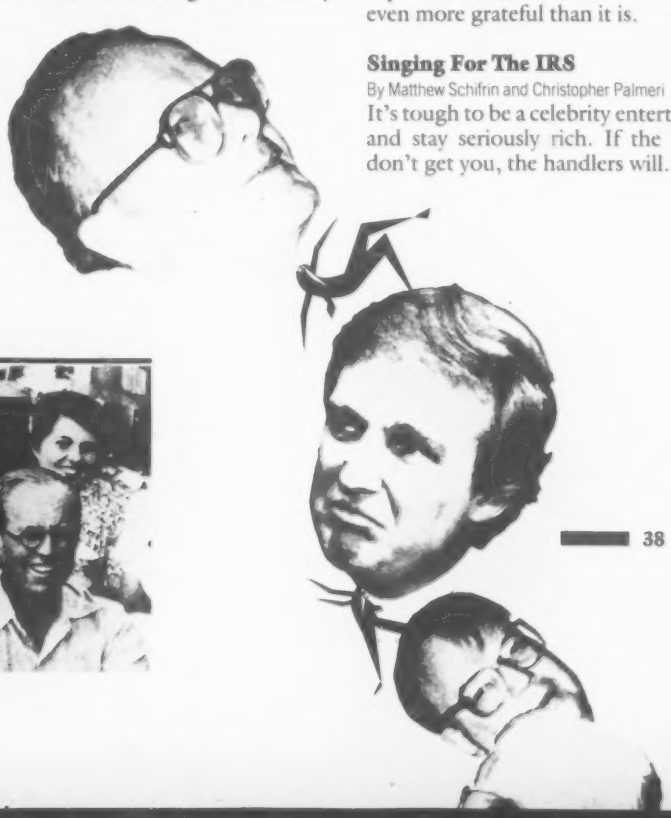

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Cover illustration by Carter Goodrich

Consuming conspicuously is becoming more reasonable.

Price break for the rich

By Manjeet Kripalani

AS WE NOTED in these pages last year, a falling dollar is a hidden tax on wealthy people. That's because much of what they buy—from Rolls-Royces to Davidoff cigars—is produced in foreign countries; when the dollar falls against those countries' currencies, the dollar prices of the goods generally rise. During 1989-90 the dollar was weak, and The Forbes Four Hundred cost of living extremely well index (Clewi) rose 11%, double the rise for the U.S. cost of living index.

On the other hand, a stronger dollar is a kind of tax cut for conspicuous consumers. When the dollar is strong, as it has been this year, the price increases of imported goods moderate; some prices even fall. In the last 12 months Clewi has climbed only 3.5%, the smallest rise since we first constructed the index five years ago. The overall Consumer Price Index, by comparison, rose 4.4%. And had we ignored several price increases pushed through in August and September, Clewi would have climbed a mere 2.5%. But France's La Tour d'Argent restaurant and New York's Stanhope Hotel suddenly raised their prices.

Still, there's not much to complain about on the conspicuous-consumption front. Bespoke shirts by London's Turnbull & Asser are £90 each, and handmade John Lobb shoes cost the same as last year in pounds, £1,006. But with the dollar strong against sterling, a dozen T&A shirts cost $1,836, down 5% from last year; the Lobb shoes cost $1,710, nearly $200 less than last year.

Prices of American-made goods and services for the wealthy also seem to be plateauing. A catered dinner at home by Ridgewell's in Washington, D.C. didn't go up a cent, nor did the cost of a tennis court.

One of the worst deals, in terms of price increases, will surprise no one: education, where administrators cannot or will not get a grip on the cost spiral. Tuition, room and board at prep school Groton is up 11%, to $18,900; at Harvard, up 7%, to $22,080.

Almost as bad is another labor-intensive product for which consumers will pay practically anything: health care. A face-lift will set you back 7% more than last year; a stay in a private room at Washington Hospital Center is up 10%, to $713 a night.

Here's something that's slowly becoming affordable again: art. For the first time in three years, Sotheby's art-market trends index has dropped—and it's down a dramatic 21%, thanks not only to the strong dollar but also to the evaporation from the art scene of all those high-rolling Japanese speculators and money-launderers (FORBES, *Apr. 29*).

For those who want to consume conspicuously but don't want to spend more than they have to, things are looking up. ■

Forbes cost of living extremely well index

	1976 price	1991 price	% change 1990-91
Apparel			
Coat/Natural Russian Sable by Maximillian Fur Co., N.Y.	$40,000	$200,000	none
Dress/Adolfo Couture	950	1,500	none
Loafers/Gucci	89	295	+14
Shirts/1 dozen cotton, Turnbull & Asser, bespoke	448	1,836	-5
Shoes/men's black calf wingtip, custom-made, John Lobb, London	202	1,710	-11
Educational expenses			
School/preparatory, Groton, 1-year tuition, room, board	4,200	18,900	+11
University/Harvard, 1-year tuition, room, board, insurance	5,900	22,080	+7
Entertainment			
Catered dinner/for 40, by Ridgewells, Inc., Wash., D.C.	2,200	5,040	none
Opera/2 season tickets, Metropolitan Opera, Saturday night, box	480	2,250	+9
Food at home			
Caviar/beluga malossol, 1-kilo tin, average retail	283	1,478	none
Champagne/Dom Perignon, case, Sherry-Lehmann, N.Y.	300	947	+7
Filet mignon/7 pounds, Lobel's, N.Y.	50	125	none

Forbes cost of living extremely well index

	1976 price	1991 price	% change 1990-91
Food away from home			
Dinner at La Tour d'Argent/Paris, estimated per person (incl. wine and tip)	$34	$175	+7
Home furnishings			
Piano/Steinway & Sons, concert grand, Model D, ebonized	13,500	57,200	+7
Flowers in season/arrangements for 6 rooms, changed weekly by Christatos & Koster, Inc., N.Y., per month	1,400	5,070	+9
Sheets/Set of embroidered silk, by Pratesi, queen size	1,218	5,090	none
Silverware/Kirk Stieff Co., Colonial Williamsburg Shell pattern, 4-piece place setting, for 12	1,341	3,000	none
Lodging while out of town			
Hotel/2-bedroom suite, park view, The Stanhope, N.Y.	333	850	+13
Medical care			
Face-lift/American Academy of Facial Plastic & Reconstructive Surgery	4,000	8,000	+7
Hospital/VIP, Washington Hospital Center, Wash., D.C. 2 bedrooms, living room, concierge, security, gourmet meals	325	713	+10
Psychiatrist/Upper East Side, N.Y., 45 minutes, standard fee	40	150	none
Personal services			
Lawyer/established mid-Atlantic firm, partner, estate planning, average hourly fee	80	300	+5
Spa/The Golden Door, California, basic weekly unit	1,250	3,750	none
Toilet goods and personal care appliances			
Perfume/1 oz., Joy by Jean Patou	100	300	+9
Sauna/by Helo, Inc., 6x8 feet, 8-person, cedar, stained-glass window	5,000	9,000	none
Sporting goods			
Motor yacht/Hatteras 60 (current model)	231,097	1,141,652	+5
Sailing yacht/Nautor's Swan 65	384,300	1,700,000	none
Shotguns/pair of James Purdy & Sons, at Griffin & Howe, N.Y.	20,000	85,850	–2
Thoroughbred/yearling, average price at Keeneland select sales	67,300	319,578	–9
Sports facilities			
Swimming pool/Olympic, standard site	180,000	546,000	+4
Tennis court/clay, standard site	25,000	47,000	none
Toys and hobbies			
Train set/G gauge, by LGB, FAO Schwarz, N.Y.	178	550	none
Transportation, private			
Airplane/Learjet 35A, standard equipment, certified 10 passengers	1,800,000	4,625,000	+5
Helicopter/Sikorsky S-76, full executive options (introduced 1978)	1,300,000	6,300,000	+5
Automobile/Rolls-Royce Silver Spirit (formerly Silver Shadow)	38,000	151,700	+8
Transportation, public			
Airline ticket/British Airways Concorde, round trip N.Y.-London	1,512	8,334	+9
Utilities and public services			
Telephone call/10 minutes, AT&T, N.Y.-London	12	9.90	none
Other goods and services			
Cigars/Cuban, box of Davidoff No. 2, Toronto	186	786	+18
Magazine/FORBES, 1-year subscription	15	52	none
Suitcase/Loewe, Black Napa leather, 27 inches	739	1,595	+19
Watch/Patek Philippe classic man's gold, leather strap	2,450	8,500	none
Purse/Hèrmes, "Kelly Bag," calf, 10 inches	550	3,495	+11
Sotheby's Art Market Trends Index/Basis: 1975=100 ($)	111	840	–21

Andy Dinniss/Forbes

This year marks the tenth anniversary of The Forbes Four Hundred. There has been tremendous turnover in the list. That's good for the country. But the past few years the rich haven't been getting much richer. That's bad for the country.

The richest people in America

Edited by Harold Seneker with Dolores Lataniotis
Reporters Jody Brennan, Lisa Coleman, Evan McGlinn, Wendy Tanaka and Jason Halperin

SO WHAT HAS The Forbes Four Hundred accomplished in ten years?

If nothing else, it has demolished one of the oldest and most persistent myths about wealth in America, widely accepted as truth for much of this century. That is the myth of the rich as a static class, the idea that there is still a fixed, mostly hereditary class structure in America in which a permanent elite of enormously rich men lord it over all the rest.

The Forbes Four Hundred shatters that myth by showing that staying rich is nearly as difficult as getting rich, that wealth is not something that automatically passes from generation to generation like titles of nobility but must be earned again with each generation. Nor does wealth stay put geographically. Since the first Forbes Four Hundred appeared in 1982, there has been a big shift of the large fortunes, away from the New York area and Texas to California, the South and the Northwest.

This is not to say that great wealth, once accumulated, doesn't linger for a generation or two after the chap who piled it up has gone to his reward. But thanks to inheritance taxes, the decline in raw energy from generation to generation and the inherent dynamics of free-enterprise capitalism, wealth, unless constantly renewed, soon loses its influence, and, eventually, its affluence.

Hold it. Rockefellers? Mellons? Du Ponts? Aren't they vastly rich? Don't they and others like them constitute a class? The answer is: Look carefully at what is happening to such families. With each generation, their wealth spreads ever more thinly among ever more heirs. The impetus to growth gets ever weaker, the impact of the fortune smaller.

The tale is told again and again on these pages: The 6 Rockefeller siblings of David and Laurance's fading generation become 24 fractious cousins in the next, more eager to spend or give away their family's money than to increase it. In the next generation, there are 52 cousins. Some families dissipate great fortunes faster than others: Witness the Kennedys *(see story, p. 34)*. Or the progeny of the late Texas oil tycoon H.L. Hunt.

So instead of a fixed class structure, there is flux, unnerving constant flux. An orderly process? Heavens, no. But a highly creative one. The great economist Joseph Schumpeter called it the process of creative destruction.

History is written, it has been said, to the rhythm of some people descending the stairs in silken slippers while others climb them in hobnailed boots. John Kluge, a self-

Ten years of The Forbes Four Hundred

	'82	'83	'84	'85	'86	'87	'88	'89	'90	'91
Total net worth ($billion)	$92	$118	$125	$134	$156	$220	$220	$269	$273	$288
Average net worth ($million)	230	295	315	335	390	550	551	672	682	721
Median net worth ($million)	150	225	250	250	275	375	375	460	450	450
Number in real estate	48	48	71	83	59	73	87	77	60	50
Number in oil and gas	70	64	74	64	48	29	30	22	26	32
Number of billionaires	13	15	12	13	26	49	51	67	66	71

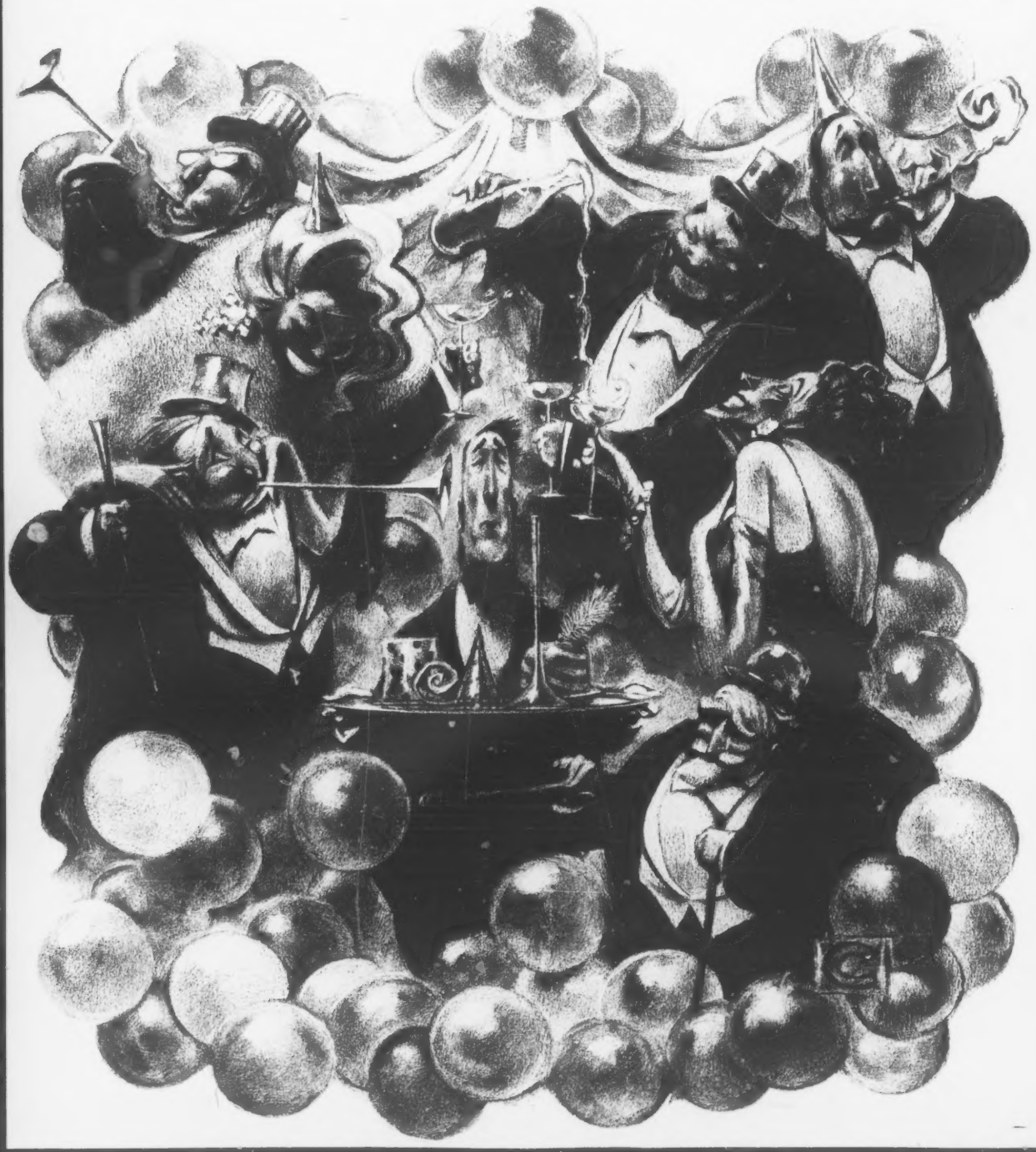
As the wealth of the country has grown, so has the wealth of its wealthiest.

made billionaire, appears to be richer now than all of the Rockefellers put together. The Waltons are nearly four times richer than even Kluge and almost five times richer than the entire Rockefeller clan.

Old money? Sam founded his Wal-Mart in 1969, after such recent historical milestones as the end of the baby boom and the rise of the Beatles.

The Forbes Four Hundred fills what was once an important blank in the portrait of American society—showing what concentrated private wealth in this country is really like, as opposed to what ideologues and political opportunists of every stripe want people to believe it is like.

To say the richest Americans constitute a class is to lump together a founder of a waste disposal company like John Rangos *(see story, p. 142)* and a prominent Philadelphia inheritor like Fitz Dixon and a dedicated second-generation professional executive like Robert Galvin of Motorola and a survivor of Nazi slave labor camps like Laszlo Tauber. Throw in a onetime farm boy and grade school dropout (J.R. Simplot); an opportunistic former usher



from Brooklyn (Hollywood's David Geffen); a former truck driver (Johnnie Bryan Hunt); a onetime Polish housemaid (Basia Piasecka Johnson).

The only thing all these people have in common is that they all have a lot of money.

Even in the founder's lifetime, a large fortune isn't secure. Harold Brown, throughout the 1980s the largest landlord in Boston, filed for Chapter 11 and is restructuring his company. The good-size mob of oil tycoons that heavily speckled our first list, in 1982, is more than cut in half. Only 171 of the people on that 1982 list are among 1991's Four Hundred. It is one thing to make a fortune, and another to keep it—as many a formerly monied Hollywood celebrity can sadly recount *(see story, p. 81).*

Meanwhile, new fortunes keep shouldering to the fore. New industries rise as others fade. New people arrive on our list riding these waves of change. Fewer this year, perhaps, because there's a recession: 1991's 47 dropoffs (as it happens, a below-average turnover) are replaced by only 27 brand-new faces, each marked in our listings by a star: (the rest are returnees from previous years). But the only real constant is change.

This year the biggest single change is in real estate. Many of our 1991 dropouts are property tycoons demonstrating the hard way that leverage is a two-edged sword. It used to be that bankers wanted 75% financing and 25% equity in solid real estate. But in the wild-eyed mid-1980s that went out the window. Financing 80% was in; then 90%. Finance your property 80% at the bank, see real estate values go down 20%, as they have in many a city across the country, and what do you have left? Not a Forbes Four Hundred fortune anymore. You have zero. Or worse.

Consider one of the most respected real estate moguls in the country, Al Taubman. Last year we figured him at upwards of $2 billion, but this year we drop him right out of the billionaire class. His three new shopping malls had $585 million from Chase Manhattan Bank on them, on top of a lot of debt on his older properties. Factor in his unfortunate venture into owning department stores (fiscal 1991 cash flow: $44.9 million in the red), plus a few places where we simply miscalculated, and you see how painfully leverage operates on the downside.

There have been regional shifts among The Four Hundred as well, suggesting that wealth is becoming geographically decentralized. In 1982, 89 of The Four Hundred called New York City their home; this year only 66 do. Dallas/Fort Worth has fallen from 26 members to just 16. Houston is down from 19 to 5.

Which regions gained wealth? The San Francisco Bay area rose from 8 to 25. San Diego from 2 to 6. Miami from 5 to 8. Los Angeles went from 23 to 29.

As the economy has slowed since 1989, so has the pace of wealth creation—bearing out George Gilder's thesis that what's good for the rich is also good for most everyone else. From 1982 through 1989 were great years for the rich. The combined net worth of The Forbes Four Hundred nearly trebled. And they were good years, too, for investors and pensioners who profited mightily from a tripling of the Dow Jones industrials (pension plans, representing the accumulated savings of tens of millions of people, are today the biggest owners of common stocks). These were good years, too, for the economy. U.S. exports rose by 68%, manufacturing output climbed by more than a third, jobs rose 18%, including a 33% rise in black employment. Between 1982 and 1987 the number of businesses owned by blacks rose by more than one-third, and their receipts more than doubled. *(See story, p. 38.)*

But since 1989 the economy has slowed—for blacks, for whites, for rich, for poor. We've been in a recession. The median net worth of The Forbes Four Hundred has stagnated since 1989, not even keeping pace with inflation.

The rich aren't saints. Not all of them are nice people. But it just isn't true that they get rich at the expense of other people; when they don't prosper, neither do the rest of us.

Is there any certainty at all amidst all this turmoil at the top? Only this certainty: that when the editors prepare the millennium listing of The Four Hundred in 2000, we expect fewer than half of the present names will still be there. And among the hundreds of newcomers will be some people who are just getting started in 1991, some only recently arrived from foreign lands. ■

Billionaires

John Werner Kluge

Metromedia. Charlottesville, Va.; NYC. 77. Thrice divorced, 3 children. German-born, poor, family settled in Detroit 1922. Scholarship to Columbia, earned economics degree (1937) and $7,000 gambling. Army intelligence WWII. Bought Maryland radio station, formed Metromedia: built string of radio, TV stations; added billboards, Harlem Globetrotters, Ice Capades. Much later, cellular phones. Realized $4.65 billion before taxes liquidating Metromedia assets 1984 (2.5 times what other shareholders got). With cash started or bought numerous businesses: computerized billboard-painting company; 70% ailing Orion Pictures; Ponderosa Steak chain; also owns Bonanza, Steak & Ale. Metromedia sold NYC cellular business last year for $1.05 billion cash, $850 million stock in LIN Broadcasting; still has half of Philadelphia cellular franchise; Metromedia Communications Corp. fourth-largest long-distance telephone carrier in U.S. Recently gave longtime associate Stuart Subotnick 5% of Metromedia Co. Converted to Catholicism before third marriage, to model-actress Patricia Rose Gay 1981 (divorced 1990). Has 10,000-acre estate Va. (Pat has 9.7 acres); 80,000 acres and castle in Scotland; significant art collection. New yacht, but "I've never liked the weekend in my life. I was enthusiastic about Monday morning from the day I left college." Net worth estimated $5.9 billion.

William Henry Gates III

Microsoft Corp. Seattle. 35. Single. Dropped out of Harvard age 19 to cofound Microsoft with school friend Paul Allen *(which see)* 1975; now world's largest microcomputer software company. In 1980 agreed to develop operating system for IBM's first PC: MS-DOS, OS/2 and Windows now account for lion's share of PC systems' software market. Gates' goal: make personal computers ever more "personal," i.e., user-friendly, thus generating ever more software sales. Says 37,000-square-foot house, still under construction, will be used mostly for business, one way Gates lets employees know he's accessible. Hobbies: investing in biotech companies, but some reading, tennis. Typecast as wonk and self-proclaimed "hard-core technoid," owns a Porsche 959 (not street legal yet) and Ferrari (drives a Lexus to work). "Leery of counting paper assets as wealth," says he doesn't bother to look at stock's price: With an infinite amount of money, would still order the same hamburger. With stock, proceeds from sales, recently worth some $4.8 billion.

Sam Moore Walton
S. Robson Walton
John T. Walton
Jim C. Walton
Alice L. Walton

Father, children. Wal-Mart Stores. Sam: Bentonville, Ark. 73. Married; 4 children. Born Kingfisher, Okla. Served stateside in Army World War II. J.C. Penney trainee after college,

Paul Hosefros/Outline

In first place, John Werner Kluge **With cash alone over $2.5 billion, how much further will the top man climb?**

Matthew McVay/SBA

William Henry Gates III, worth $4.8 billion

His Microsoft stock is up 1,500% in five years, but he doesn't count paper as wealth.

opened Ben Franklin five-and-dime 1945, lost lease; started again Bentonville with brother James *(which see)*. By 1962, 15 stores; took public 1970. Concept: discount stores in small towns, rural areas, each big enough to freeze out competitors. Today 1,800 stores in 37 states, the nation's largest retailer (1990 sales, $32.6 billion). In February acquired Wholesale Club, Inc. for about $163 million. Diagnosed as having bone cancer 1990; undergoing chemotherapy, still doing business as usual. Company long closely tied to Sam's personality; known for getting out to his stores and talking with people. Gives money to free-enterprise causes. Pilots own small plane, hunts quail. Family holding company shared equally among Sam, children. S. Robson: Bentonville. 47. Yale Law. Divorced, remarried; 3 children, 2 stepchildren. Partner Oklahoma law firm, Wal-Mart vice chairman. John T.: San Diego. 46. Married; 1 child. Vietnam veteran. Involved in family holding company Walton Enterprises. Owns boat-building company. Jim C.: Bentonville. 43. Married; 4 children. President, Walton Enterprises. Oversees family banking business (interest in five banks), real estate. Alice: Rogers, Ark. 42. Divorced twice. Started Llama Co. (investment firm named after a pet) 1989 with $19.5 million from Walton Enterprises. Says famous surname merely opened the door. The family stock, over 440 million shares, or 38%, of Wal-Mart Stores, other assets estimated over $22 billion.

Warren Edward Buffett

Stock market. Omaha. 61. Married; 3 children. M.S. Columbia. Son of stockbroker who later became congressman. Purchased first stock age 11. Value investor, uses old-fashioned analysis to find undervalued securities. Started investment partnership 1956, dissolved 1969 after thirtyfold growth. Says over half personal net worth attributable to fewer than a dozen investment decisions. Acquired interest Berkshire Hathaway 1962, by 1965 had 70% control; total cost, $14 million. Company today worth over $9 billion; large equity investments American Express, Coca-Cola, Capital Cities/ABC, etc. No dividends (avoids double taxation), except once—1967, about 10 cents per share: "I must have been in the bathroom at the time." Channels investments through property/casualty insurance companies—a source of cheap finance. Super Mr. Clean image: Designated interim chairman Salomon Brothers after recent debacle; pay under $1, but protecting sizable investment. Has corporate jet called the *Indefensible*. Fundamental Sage of Omaha advice: "Investment must be rational; if you can't understand it, don't do it." His Berkshire Hathaway shares recently worth over $4.2 billion.

Henry Lea Hillman

Industrialist; venture capital, real estate. Pittsburgh. 72. Married, 4 children. Quiet son of fierce coal-steel-gas tycoon John Hartwell Hillman Jr., who followed lead of Mellon and Carnegie, took over Pittsburgh Coke & Chemical and built Texas Gas Transmission. After Princeton, Henry joined business 1946, took over after father's death 1959, bought out 5 siblings (now deceased). Sold off smokestack assets to diversify into real estate, light industry: "In smaller companies, you can come in and talk to people, get to know and understand them, and generate the kind of spirit that can get them moving." Science buff, sank large sums into Silicon Valley mid-1970s; now investing in biotech. Backed LBO shops, including Kohlberg Kravis Roberts; later his own Copeland Corp. Real estate holdings span nation. Wife Elsie zealous Republican, Pennsylvania campaign manager for Bush 1988. Henry owns 80% of business empire; stepbrothers Howard and Tatnall 20%; his share estimated $3.3 billion.

Richard Marvin DeVos
Jay Van Andel

Partners. Amway Corp. Ada, Mich. 65, 67. Each married, 4 children; all but 1 work for company. Next-door neighbors, high school buddies. After WWII tried flying service, then hamburger stand; then bought schooner, set sail for Haiti; sank in Cuba. Willing to raise a buck anywhere, started Amway 1959 in basement. Began with soap, added over 400 products sold door-to-door; preached American dream, free enterprise to recruit salespeople. Company pleaded guilty to Canadian customs fraud scheme 1983; fined C$25 million, largest ever. Sales declined, then rebounded as marketing pacts with big names (MCI, Firestone, Coca-Cola) put professional gloss on Bible-thumping

Eli Reichman

Sam Moore Walton, worth $4.4 billion

An energetic 73, he continues to drive Wal-Mart's employees to new heights.

image. Over 20 subsidiaries: real estate, jewelry, hotels, etc., though most money made from salespeople's purchase of tapes, books, rally tickets. With Irwin Jacobs, knocked on Avon's door 1989 pitching a surprise $2 billion bid for the company; no sale. Spring 1991 enormously profitable Amway Japan went public; Amway's 92% of stock then worth $8.2 billion. Stock now down over 40%, but Van Andel and DeVos share company still worth upwards of $6 billion. The 1991 Amway convention theme: "We Touch the World."

Samuel I. Newhouse Jr.
Donald Edward Newhouse

Brothers. Publishing, cable TV. Father Samuel born to Eastern European immigrants. Ran Bayonne (N.J.) Times age 16, took over ailing Staten Island Advance 1922. Fanatic cost-cutter, worked out of briefcase; built nation's largest private newspaper chain: "The only thing to do with money in the newspaper business is leave it in the newspaper business." His two sons tagged along on rounds. Purchased magazine publisher Condé Nast 1959 (then motto: "Class, not mass") for $5 million as anniversary present to wife: "She asked for a fashion magazine, and I went out and got her Vogue." Attracted legend-making talent: Vogue editor Diana Vreeland, Condé Nast editorial director Alexander Liberman. Samuel's death 1979 brought estate tax cases (2 settled favorably, 1 to go). Sons expanding empire: 29 newpapers (total circ. over 3 million), 17 magazines, books, cable TV (1.2 million subscribers), etc. Si: NYC. 63. Divorced, remarried; 3 children. Supervises magazines (New Yorker, Vogue, Gourmet, Vanity Fair, Parade, etc.), Random House. Introverted, dedicated art collector; workday starts 4:45 a.m. Son Samuel III, Jersey Journal publisher. Donald: 62. Married, 3 children. Advance Publications president; runs newspapers, cable TV. Son Steven, Jersey Journal editor. Si, Donald share empire worth over $5.6 billion.

Sumner Murray Redstone

Movie theaters, Viacom. Newton Centre, Mass. 68. Married, 2 children. Son of drive-in-theater owner. Boston Latin School, broke Japanese codes WWII. Graduated Harvard Law in top 12 of class 1947. Brief stint with Justice Department, then entered father's business 1954. Took over, built National Amusements Inc. to 650-plus screens U.S., U.K. Reaped big gains in 1980s as investor in Twentieth Century Fox, Columbia Pictures takeover, MGM/UA home video buyback. Survived 1979 Boston hotel fire by clinging to ledge. Bought entertainment giant Viacom (Showtime, The Movie Channel, MTV, cable, radio, TV stations) in $3.2 billion hostile takeover 1987: "What did I know about MTV? I only knew I couldn't stand looking at it." Took public next day; his shares then valued $2.8 billion: Net worth nearly tripled with one stroke. Battled John Ki *(which see)* for Orion Pictures; lost—but $18 million profit. His National Amusements plus Viacom shares still worth $2.8 billion: another $3-billion-plus to go to top Kluge. "Great successes are built on failures and calamities and frustrations, not on small successes."

Leslie Herbert Wexner

The Limited, Inc. Columbus, Ohio. 54. Single. Son of Bella Wexner *(which see)*, who married a Russian immigrant; their apparel store called Leslie's after their son. Leslie quit law school 1961, joined parents; frustrated, left to do it his own way in 1963 with $5,000 loan from aunt. Named venture the Limited—limited to women's sportswear. First year's sales: $160,000. Began to build national chain after first 5 stores went public 1969. Later borrowed to begin acquisitions: Lerner Stores, Henri Bendel, Abercrombie & Fitch, Lane Bryant, Victoria's Secret. Eventually moved into men's, children's apparel after women's slumped late 1980s. Today among largest specialty and mail-order retailers (1990 revenues, $5.3 billion), nearly 4,000 stores nationwide. "The future is in the hands of the new businesses," says Wexner of company. "Each has enormous growth potential." Has getaway in Aspen, jogs regularly. His Limited, Sotheby's stock, other assets worth some $2.5 billion.

Paul Gardner Allen

Microsoft. Mercer Island, Wash. 38. Single. Left college to start Microsoft Corp. in 1975 with school friend William H. Gates III *(which see)*. Diagnosed with Hodgkin's disease in 1983, left Microsoft. Disease in re-

mission. Founded own company, Asymetrix Corp. (situated a few miles from Microsoft) 1985, independently pursues original software technologies. First product ToolBook, 1990, already revised; mixed reviews. Says "great wealth gives you more flexibility." Passion for basketball, so bought Portland Trail Blazers in 1988: "a dream come true." Recently bought private jet to attend meetings and games. Useful last year: team made it to playoffs. Has own court in backyard. Pursuing new arena for team, building new house for himself. Hobbies: sailing, guitar, chess, when not counting his stock, other assets, recently worth over $2.4 billion.

Louis Psihoyos/Matrix

Eighth-ranked Warren Edward Buffett, Salomon Brothers' new chairman
Cleaning Salomon's image is an unexpected drain on Buffett's time.

Edgar Miles Bronfman Sr.

The Seagram Co., Ltd. NYC. 62. Married 4 times (twice to same woman), now divorced; 7 children. Moved to NYC 1955, became U.S. citizen 1959. Son of Samuel Bronfman of Canada, who in 1928 bought out distillery rival Joseph E. Seagram & Sons, Inc. Waxed fat on U.S. Prohibition. Seagram, based in Montreal, since built into one of world's leading liquor and wine producers (1990 revenues, $6.1 billion); owns 24.5% Du Pont, largest North American chemical company. Acquired Tropicana Products, Inc. for $1.2 billion 1988. Edgar chairman, CEO since 1971. Son Edgar Bronfman Jr. corporate heir apparent. Sr. also president World Jewish Congress, recently met with Polish President Lech Walesa, praising him for role in overthrow of communism. "For that," Edgar said, "the whole world admires and thanks you." Edgar's stock, other assets, estimated over $2.3 billion.

Ted Arison

Carnival Cruise Lines. Tel Aviv. 67. Divorced, remarried; 2 children by first marriage, 1 adopted in second. Born in Israel to shipping family. Joined British army WWII; fought in Israel's War of Independence 1948. To U.S. 1952, began marketing cruises of Norwegian Caribbean Lines mid-1960s. After bitter split with partner, launched Carnival Cruise Lines 1972. Two years later went bust, bought out partner Meshulam Riklis for $1. Bet on gambling, discos to boost revenues. Hit jackpot: Carnival now world's largest cruise line, nearly 1 million passengers last year. New *Ecstasy* and *Fantasy* ships added, over 2,000 berths. Other ventures (share of Miami Heat basketball squad, real estate, new Bahamas casino, Ensign Bank) less successful. Huge donor to group he founded 1982: National Foundation for Advancement in the Arts. Retired November to birthplace Tel Aviv; left son Micky at Carnival's helm. Persian Gulf war, higher oil prices, led to short-term cost hikes. Micky: "We are recession-resistant—not recession-proof." But with cruises at full capacity, Arison still worth at least $2.3 billion.

Jay Arthur Pritzker
Robert Alan Pritzker

Brothers. Finance, manufacturing. Grandfather Nicholas Pritzker came to Chicago from Kiev 1881; started law firm 1902; joined by his 3 sons, still Pritzker & Pritzker today. One son, Abram (A.N.), got out of law into real estate, light manufacturing late 1930s; d. 1986. A.N.'s sons multiplied holdings. Financial wizard Jay: 69. Married, 4 children. Studied law, used father's credit to finance own deals. Started Hyatt hotels 1957; long run by brother Donald (d. 1972); known for extravagant architecture; expanding under Jay's son Thomas; new division Classic Residence offers luxury retirement centers, run by Donald's daughter Penny. Robert: 65. Twice divorced; 5 children. Considered family engineer. Runs over 60 low-tech manufacturing, service firms through Marmon Group (1990 sales, $3.8 billion). Family also owns TicketMaster, smokeless tobacco company Conwood, about one-third of Royal Caribbean Cruise Lines, etc.; real estate. Total fortune estimated $4.5 billion.

Henry Ross Perot

Electronic Data Systems. Dallas. 61. Married; 4 daughters, 1 son. Son of Texas cotton broker. Described "business school" as watching father deal with poor East Texas cotton farmers. Eagle scout. Annapolis. Dissatisfied with slow promotions, left Navy after 4 years for IBM sales job. Pioneered brokering of computer time to increase sales; accepted commission cut to get sales quota increased. Advancement again too slow. Formed EDS 1962 with $1,000 of wife's savings when IBM declined to sell data processing services. Paper

billionaire 1969. Crashed. Recovered. Sold 80% to GM for $1.4 billion 1984 and remaining 20% in 1986. Set up Perot Systems 1988 to compete with EDS. Also some 22,000 acres surrounding Dallas; includes Alliance Airport where Ross Jr. plans world manufacturing center. Eyeing Continental Airlines, et al. Patriotic, tough. Solved own Iranian hostage crisis 1979: Perot, team of EDS employees flew successful rescue mission, jailbreak, 540-mile smuggle to Turkish border for 2 captured EDS employees. Offered to transport families to visit Panama wounded. "You can put me on your list as worth a dollar." Plus estimated $2.2 billion.

Forrest Edward Mars Sr.
Forrest Edward Mars Jr.
John Franklyn Mars
Jacqueline Mars Vogel

Candy, pet food. Son, 2 grandsons and granddaughter of Frank and Ethel Mars, Seattle candymakers. After two failures, 1914 bankruptcy, moved to Minnesota 1920; struck it rich with Milky Way recipe 1923. Frank (d. 1934) financed son Forrest's British candy business to keep him out of U.S. business. Forrest Sr.: Las Vegas. 80s. Widowed; 2 sons, 1 daughter. Built empire in Europe, returned 1940 one-third owner Mars, Inc.; added M&Ms, Uncle Ben's rice. Bought out half-sister, won control from rest of family 1964. Built into one of world's largest candy companies; also Kal Kan pet foods, etc. Estimated 1990 sales over $9 billion. Tenets: quality ("the consumer is our boss"), cheap packaging ("they don't eat the paper"), fanatic cost control, cleanliness at plant. Retired 1973, Forrest now runs fine chocolate boutique Las Vegas. Religious: "I pray for Milky Way, I pray for Snickers." Forrest Jr: McLean, Va. 60. Married, 4 daughters. Secretive like father. Trained in company's Dutch unit. Now copresident, considered CEO. Pushed new candy image as energy food; added granola bars, noncandy snacks. John: Arlington, Va. 56. Married; 1 son, 1 daughter. Said to have inherited father's brusque, autocratic manner; began in Australia operation, now copresident. Jacqueline: Bedminster, N.J. 51. Divorced, remarried; 3 children. Director. Siblings said to own Mars, yet final word still father's. With over 50 autonomous units worldwide, sun never sets on Mars empire; four share company worth estimated $8 billion.

Barbara Cox Anthony
Anne Cox Chambers

Sisters. Inheritance. Father James M. Cox, a country schoolteacher who bought Dayton (Ohio) Daily News 1898 for $26,000. Three-time Ohio governor; lost to Warren G. Harding 1920 as Democratic presidential nominee. Left politics, returned to press. Bought Atlanta Journal 1939, Atlanta Constitution 1950. Merged, now flagship of newspaper empire. Son James Jr. took over after father's death 1957, moved into cable TV, d. 1974; sisters have 98% ownership. Gave control first to Barbara's husband, Garner Anthony, then to Barbara's son, James C. Kennedy, 43, 1988. Cox Enterprises now 17 dailies, 7 weeklies, 7 major TV stations, 14 radio, enormous cable empire (over 1.6 million subscribers). Also Manheim Auctions, nation's largest car auction. Barbara: Honolulu. 68. Divorced, widowed, remarried; 2 children. More reclusive sister, owns ranch in Australia; chairwoman Dayton papers. Anne: Atlanta. 71. Twice divorced, 3 children. Atlanta socialite. Served as old friend Jimmy Carter's ambassador to Belgium but asserts she is "basically a peasant." Chairwoman Atlanta papers. Two sisters share estimated $4 billion fortune.

Charles de Ganahl Koch
David Hamilton Koch

Brothers. Oil. Sons of Fred (d. 1967), cofounder Winkler-Koch Engineering Co. 1925. Developed thermal cracking refining process used to extract gasoline from crude 1928; U.S.S.R. was a customer. Early (1958) member John Birch Society. Sons inherited $250 million (sales) oil marketer; renamed Koch Industries. Charles (3 MIT degrees) became workaholic chairman; bought refinery, then chemicals, pipelines, ranching. Koch Industries now second-largest (in revenues) family-owned business in U.S., after Cargill: sales over $17 billion. Charles: Wichita, Kan. 55. Married, 2 children. David: NYC. 51. Single. Joined Koch 1970, now executive VP; 1980 Libertarian VP candidate. Survived Los Angeles USAir crash 1991; 22 passengers died, including "the beautiful stewardess who served me." Family fight 1981-83 over control with brothers Fred and William *(which see)*: Bill (David's twin) claimed Charles hoarded power, withheld informa-

Mark Ferri

Ninth-ranked and publicity-shy Henry Lea Hillman
"The whale only gets harpooned when he spouts."

tion; sued for mismanagement. Charles: Bill had "various psychiatric ailments." Settled. Fred and William bought out for close to $1 billion. David: "They wanted the cash and they got it. But we got the company." Company subject of 1989 Senate investigation on stealing oil from Indians in Southwest. David and Charles charge plot by William to discredit business. Brothers share company worth estimated $3.6 billion.

Ronald Owen Perelman

LBOs. NYC. 48. Divorced, remarried; 5 children. Exposed to business at father's metal-fabricating outfit in Philadelphia; Wharton business school. In 1978 borrowed $1.9 million to buy minority interest in jewelry distributor; proceeded to build into MacAndrews & Forbes conglomerate, using debt from Drexel. Constructed money machine: buy undervalued assets, divest all but cash cows, bag bigger game. Nailed Revlon for $3 billion 1985, failed in $4.1 billion bid for Gillette. This year addressed paydown of debt now known to be $4 billion at peak: cut National Health Laboratories (medical testing) stake to 42% from 82%; sold Max Factor, Beatrix cosmetics to Procter & Gamble for $1.14 billion; IPO of comics publisher Marvel Entertainment. Still has First Gibraltar S&Ls, camping and outdoor-equipment maker Coleman Cos. Total net worth now estimated $1.8 billion.

David Packard

Hewlett-Packard. Los Altos Hills, Calif. 79. Widowed, 4 children. At Stanford, Phi Beta Kappa, football end, hurdler. Founded Silicon Valley giant with college buddy William Hewlett *(which see)* 1939. Dave handled business side; Bill, engineering. After unsuccessful stab at marketing things like bowling foul-line indicators, hit big time with audio oscillators. Later innovations: hand-held calculators, LaserJet printer. With 91,500 employees, HP's 1990 sales $13.2 billion. Nixon's Secretary of Defense 1969-71; chairman, Reagan's Blue Ribbon Commission on Defense Management 1985-86. Like buddy Hewlett, huge philanthropist:

Jay Van Andel, $2.9 billion
Big dollars in America . . .

Richard Marvin DeVos, $2.9 billion
. . . billions more in Japan.

$70 million to Stanford for children's hospital, many HP shares to his foundation. Has played small daily role in recent years, but returned to more active management to pull company out of slow times. Now heading succession committee in charge of organizational realignment, which means "We are probably going to have to make painful reductions in some places." His 13.7% of Hewlett-Packard worth $1.7 billion.

Walter Hubert Annenberg

Publishing. Wynnewood, Pa.; Rancho Mirage, Calif. 83. Divorced, remarried; 1 daughter (1 son deceased). Son of Moses Annenberg (d. 1942), founder of precursor to Triangle Publications (Philadelphia Inquirer, Daily Racing Form). At 32, Walter inherited debt-ridden company, expanded. Started TV Guide 1953, with 15 million subscribers the nation's second-largest-circulation magazine. Also began Seventeen, Good Food; sold Inquirer 1970. Scored eyebrow-raising $3.2 billion sale of Triangle to Rupert Murdoch *(which see)* 1988. Art collector; paid $41 million for 1905 Picasso in 1989. Long-awaited word on collection: over 50 paintings to NYC Metropolitan Museum of Art despite reported $1 billion offer. "Much as I respect the other institutions that have lately shown our collection . . . I happen to believe in strength going to strength." Extraordinary philanthropist: gift plans over $1 billion, including $21 million to U. of Pa. 1989, $50 million to United Negro College Fund 1990. His cut Triangle sale, art, GM stock estimated $1.6 billion net. His 5 sisters and families of 2 deceased sisters also have share sale proceeds, GM stock, estimated $860 million.

Robert Muse Bass

Oil, investments. Fort Worth. 43. Married, 2 children. Third son of oilman Perry Richardson Bass, who expanded oil holdings inherited from tycoon uncle Sid Richardson (d. 1951). Perry retired 1968, left family empire to sons. Eldest, Sid *(which see; also Lee, Edward)*, diversified into stock (Disney, Texaco, etc.), real estate. Robert (Andover, Yale, Stanford business school) felt overshadowed, split off 1983, moved one floor down in Bass-built Fort Worth office tower. Sold most of Disney stake, went on dealmaking frenzy: media (Taft Broadcasting, cable TV, Times Publishing), real estate (sold Plaza to Trump for profit), information (bought Bell & Howell, bid for Macmillan). Now, with Equitable Life, in Acadia Partners: Butler Aviation, Na-

Gerardo Somoza/Outline

Donald Edward Newhouse and Samuel Irving Newhouse Jr., worth $2.8 billion each
Damn the media recession. Expand ahead.

tional Reinsurance Corp., Easco Corp. Obsessively private, imposes strict code of secrecy on employees. Net worth believed to be at least $1.6 billion.

Lester Crown and family

Inheritance, industrialist. Wilmette, Ill. 66. Married, 7 children (3 in business). Son of renowned Chicago financier Henry Crown né Krinsky (d. 1990), who with 2 brothers created building supply Material Service Co. 1919. Cost advantages helped outlast fierce Depression competition, gain dominant market share after. Research, bold negotiations emblems of career. Colonel during WWII: "When the Colonel gets into a deal, he knows the size of your underwear." Postwar, took advantage of leverage, tax loopholes; purchased large stakes in stocks, real estate. Merged with General Dynamics 1959; sold preferred stock he got, later bought common on open market, ousted management, effected turnaround. Son Lester, conservative chemical engineer, Harvard M.B.A., devout family man, currently controls fortune, much in family trusts. On rumors may buy back GD stock after stellar Mideast performance of weapons: "There's no basis . . . it's a non-event." Amid family infighting, bought out cousins who opposed Lester's management 1990. Separately, in-law Schine family suing over Lester's 30-year administration of trusts: "This just proves that no good deed goes unpunished." Amid legal knots, Crown fortune estimated to be $1.6 billion.

Edward John DeBartolo

Shopping centers. Boardman, Ohio. 82. Widowed; 1 son, 1 daughter. Father, Anthony Paonessa, died months before birth of Mr. D, who took stepfather's name. At 13, wrote contracting bids for non-English-speaking stepfather. Mother scuttled his plans to be truck driver, pushed him to Notre Dame. Studied civil engineering; Army engineer WWII. Took over stepfather's firm 1944. Built first strip shopping center 1948: "I would like to know that what I am doing could go on endlessly." Giant gamble for him at time. Gambled again 1960s: huge regional malls, large Florida land holdings. Now "King of Plazas," over 75 million square feet owned. Also sports (son's San Francisco [football] 49ers, Pittsburgh [hockey] Penguins, 3 racetracks), hotels, office space: "I stick my nose in everything." Still maintains discipline of daily 5 a.m. rise: "I get here at 5:30 every morning and stay until 6:30 or 7:00." He means p.m. Net worth estimated some $1.4 billion.

Samuel Jayson LeFrak

Lefrak Organization. Real estate. NYC. 73. Married, 4 children. Sam joined French immigrant father's construction firm after U. of Maryland, took over 1948. Became nation's largest private landlord: developed over 200,000 apartments (currently owns 94,000), for "the mass, not the class." Continuing 600-acre, $10 billion, mixed-use waterfront site, Newport, N.J., including 1.2-million-square-foot Newport Centre Mall with Mel Simon *(which see)*. "Eighth wonder of the world," reported to be experiencing "financial difficulties" with some rental units, now under watchful eye of FHA, which insured mortgage. Son Richard, 46, president. Also smaller interests: entertainment, music publishing, copyrights, oil and gas. "The music business is like real estate, except you don't have to paint it every two years." Knighted by kings of Norway, Sweden. Collects art. Net worth estimated about $1.4 billion.

Robert Edward (Ted) Turner III

Turner Broadcasting System. Roswell, Ga. 53. Twice divorced, 5 children. Engaged to Jane Fonda. Kicked out of Brown U. Took over late father's billboard company at 24, parlayed into TV stations. Acquired Atlanta's independent Channel 17 1970, built TBS, first "superstation" exploiting satellite transmission 1976; pioneered satellite cable TV news network 1980. Built company: today, entertainment (46%, 1990 operating profits) includes TBS SuperStation, TNT cable network; news (28%) includes CNN, Headline News; syndication/licensing (19%) includes MGM film library, etc.; sports (2%) includes Atlanta (baseball) Braves, 96% Atlanta (basketball) Hawks. Cable revolution he foresaw, pioneered, getting closer: "At the current rate, we should catch the big three networks." Failed bid for CBS 1986.

Once dubbed the "Mouth of the South," sounds more like Mr. Jane Fonda on politics: "The white European-descent people . . . we're the ones that have destroyed the world." Avocations: racing sailboats, fishing, Political Correctness. Stock, other assets estimated $1.4 billion.

Sid Richardson Bass
Lee Marshall Bass

Brothers. Oil, investments. Fort Worth. Two of 4 sons of Perry Richardson Bass, whose uncle, oil legend Sid Richardson, started with $40 from Perry's mother. Left bulk of reported $100 million estate to charity 1959, some to Perry, who built new $50 million oil empire by 1968. Retired, gave reins to newly minted Stanford M.B.A. son Sid: 48. Divorced, remarried; 2 children. With Stanford classmate Richard Rainwater *(which see)*, started doing deals 1970. Marathon Oil ($160 million estimated profit), Texaco ($450 million); Disney shares worth well over $2 billion. Brothers Robert and Edward *(which see)* split off 1980s. Ex-wife Anne increasingly prominent NYC society. Known for elaborate gowns. Sid dumped Anne for other socialite, Mercedes Kellogg, 1986. Sid's alleged honeymoon spot: Disney World; swears will never sell Disney shares. Lee: 35. Married, no children. Yale grad (like other brothers), Wharton M.B.A. Invests with partner Sid; lives quietly. Brothers share estimated $2.7 billion.

Philip Hampson Knight

Nike, Inc. Hillsboro, Ore. 53. Married, 2 sons. Track star at U. of Ore., M.B.A. Stanford 1962. As Price Waterhouse CPA, moonlighted importing Japanese track shoes with former track coach. His Blue Ribbon Sports Co. began making own shoes 1971; new name, Nike—for Greek goddess of victory—came to an employee in a dream. Played heavily on endorsements by athletes, clever advertising. Led to sales boom 1970s, first half of 1980s, until Reebok bounced Nike from top spot in market 1986 *(see Fireman)*. But since 1988, led by Air Jordan, the company has been No. 1. Current U.S. market share: Nike, 27%; Reebok, 23%. Knight on Reebok's Pump: "It's not an innovation, or even a gimmick. We see it as a toy." Two target areas for growth. International: "Biggest trend that's going on in the sneaker industry is how much the business is growing outside the United States." Women: "When we mention the name Nike, everybody thinks men's." Still tries to run 20 miles a week. Stock, etc. worth $1.35 billion. "Basically, I wouldn't trade places with anybody."

Ranked 14th, Sumner Murray Redstone
Moving movies to Europe.

David Howard Murdock

Real estate, takeovers. Bel Air, Calif. 68. Divorced, widowed; 2 sons. Traveling salesman's son, high school dropout. After WWII to Detroit, borrowed $1,800 to buy diner, sold for profit. Then Phoenix: built homes, founded bank, accumulated over $100 million fortune; Phoenix market collapsed 1964; with remaining $1 million moved to LA 1966. Invested real estate, small companies; large private holdings. Helped merge Iowa Beef Processors into Occidental Petroleum, quarreled with Armand Hammer but kept $100 million profit. Helped save Continental Group from raider Sir James Goldsmith 1984; year later Murdock's stake bought for about $150 million. "Murdock manages to get bought out, and he manages to get bought out pleasantly. That's part of his genius." Merged Flexi-Van into Dole Food Co. (formerly Castle & Cooke), now has 23%; is chairman, CEO. Bought Cannon Mills 1982, sold to Fieldcrest Mills 1985; Cannon workers' pension fund hit 1990-91 by junk bond debacle. Murdock paid $800,000 out of own pocket to over 9,000 workers to cover part of loss. Owns interest Hay Adams Hotel in Washington, D.C. Large stable Arabian horses, etc. Prominent GOP fundraiser. Estimated worth at least $1.35 billion.

Stephen Davison Bechtel Jr. and family

Engineering, construction. San Francisco. 66. Married, 5 children. Grandson of Warren Bechtel, railroad builder, founder Bechtel Group. Took over gigantic, global construction company (Hoover Dam, Alaska pipeline) 1960 from father Stephen Sr. (d. 1989). Added nuclear facilities—has built or helped build 40% of U.S. plants. Inherited father's love for enormous projects—e.g., Jubail, $40 billion Saudi industrial city, 1970s. Should have good solid years ahead: contracted to help rebuild battle-scarred Kuwait in aftermath of Desert Storm. Someday, Iraq? Many execs from 1970s in Reagan's cabinet: George Shultz, Caspar Weinberger (Shultz back on Bechtel board). Company diversified into real estate, coal early 1980s; also operates small power plants. Son Riley, 39, now president, someday chairman. Stephen's sister Barbara Davies may have silent interest. Bechtel Group, Bechtel Investments, family's Lakeside Corp. Sequoia Ventures, etc., estimated at least $1.3 billion.

Gordon Peter Getty

Inheritance. SF. 57. Married, 4 sons. Son of legendary oilman Jean Paul Getty. "Gordo" more interested in music than oil. To San Francisco's Conservatoire of Music 1960s; composes and conducts. Sued father for dividend income 1966; pilloried by father's lawyers, but only relative at father's deathbed 1976 *(see also J. Paul Jr.)*. Was cotrustee Sarah C. Getty trust (named after his late grandmother), which held 40% Getty Oil; later sole trustee. Niece Anne Earhart *(which see)* filed first family lawsuit to oust him 1976. Touched off Texaco-Pennzoil catastrophe by sale of Getty Oil to Texaco 1984.

Looked down upon at time as businessman—but sold at height of oil prices, doubled family fortune to $3 billion, tripled income. Family suit settled December 1988 with dissolution of fortune into separate trusts run for and by family members *(see Caroline Getty, et al.)*. Gordo's quarter-plus, other wealth estimated at least $1.3 billion.

Harry Brakmann Helmsley

Real estate. NYC and Greenwich, Conn. 82. Divorced, remarried; childless. Started in mailroom; collected rents for real estate firm; partner 1938. Began buying ordinary, unpretentious buildings matching his means and unassuming manner, 1930s; brokered buildings, reinvested commissions for down payment. First wife Quaker, he converted 1940. Pioneered real estate syndication with late Lawrence Wien. By 1950s in prime Manhattan buildings; Empire State Building 1961; Helmsley took operating lease. "Money's the great motivator." Today Helmsley partnerships control 50 million square feet commercial; 50,000 apartments; 13,000 hotel rooms nationwide. Shocked associates with divorce 1972, remarriage to star broker Leona Roberts. Leona still appealing 4-year sentence for tax evasion; Harry declared mentally unfit to stand trial. Helmsley-Spear, no successor in sight, losing leadership position in NYC brokerage. Harry, still collecting receipts from once-grand empire, worth at least $1.3 billion, but nobody's dancing now.

Marvin Harold Davis

Oil, real estate. Beverly Hills. 66. Married, 5 children. Father Jack was British boxer turned dressmaker in NYC's garment district, invested in oil post-WWII. Marvin joined after NYU, became adept wildcatter: purchased cheap Rocky Mountain oil leases. Sold lucrative properties to Hiram Walker 1981 for $630 million. Diversified interests: bought Twentieth Century Fox with Marc Rich *(which see)*; bought Rich's share, sold in 2 parts to Rupert Murdoch. Sold duffers' paradise, Pebble Beach golf course, to Japanese 1990 for estimated $900 million. Aspen Skiing Co. estimated $350 million profit. Still battling 1985 suit that claims Davis misrepresented some wells' results. Purchased Beverly Hills Hotel 1986 from Ivan Boesky for $135 million, flipped to Sultan of Brunei 1987 for $200 million. "Marvin will get your last nickel." Holds other real estate through Miller-Davis. Considered buying Lorimar Telepictures, MGM/UA Communications, LA Herald Examiner. Made runs at airlines 1989: UAL, netted $100 million; Northwest, netted $25 million. Party-goer, into Hollywood glitz but shuns press. Estimated at $1.3 billion.

John T. Dorrance III
Bennett Dorrance
Mary Alice Dorrance Malone

Brothers, sister. Campbell Soup. Grandfather John T. Dorrance Sr. brilliant chemist (passed up professorship for job at uncle's Campbell Preserve Co. making $7.50 per week 1897) who served up soup in cans. President of company 1914, showed he was also talented marketer: "We were the original advertiser in many ways." On death 1930, left $128 million estate to wife, 5 children. His son John T. Jr. (d. 1989) hourly factory hand 1946; chairman 1962. Company increased varieties, added fresh, frozen foods, poultry, etc., 1950s. J.T. Jr. left most of his 50% to his children and grandchildren. John T. III (Ippy): Devil's Tower, Wyo. 47. Married, 2 children. Campbell director; personally manages his 17,000-acre Ipy Ranch. Bennett: Paradise Valley, Ariz. 45. Married, 2 children. Director, also runs DMB Associates (investments, suburban office buildings) in Phoenix. Mary Alice: Coatesville, Pa. 41. Married, 2 children, 2 stepchildren. Has horse-breeding operation at Iron Spring Farm. Three siblings united against other family members *(see Hamilton, et al.)* who wanted to sell the "company that had turned a nation on to soup." Their 32%, etc., recently worth $3.75 billion.

Leslie Herbert Wexner, worth $2.5 billion
Unlimiting the Limited.

William Bernard Ziff

Publishing. Manalapan, Fla. 61. Divorced, remarried; 3 sons by first marriage. Father WWI aviator, noted lecturer, author, cofounded Ziff-Davis 1927; died 1953 when William was 24. "I didn't grow up with businessmen as my heroes, but my dad died and I wanted a piece of him." Bought out Davis at 27; expanded into upwardly mobile niches: Car & Driver, Boating, Yachting, etc., ultimately some 35 magazines, 6 TV stations. Liquidation while fighting cancer 1980s: sold stations for about $100 million 1983; 12 trade magazines to Rupert Murdoch *(which see)* for $350 million, 12 consumer magazines to CBS for $362.5 million 1985. CBS filed suit against Ziff-Davis, claiming misleading financial information, inflated sale price; CBS sold at profit 1987 but still seeks extensive damages. Ziff still chairman Ziff Communications. Kept, built up computer-related titles, e.g., PC Magazine, PC Week, PC/Computing; now has total circulation 2.7 million; prospering.

"The idea that print is dead is preposterous." Fortune, including $400 million trust for children, estimated at least $1.25 billion.

Ray Lee Hunt and family

Inheritance, oil, real estate. Dallas. 48. Married, 5 children. Runs fortune for "second family" (of three) of H.L. Hunt, legendary oilman who married Ruth Ray and adopted kids 1957 after death of first wife 1955 (long kept secret from each other—*see Caroline Hunt, Margaret Hunt Hill*). His mother, Ruth Ray Hunt: Dallas. 74. Widowed, 4 children. His sister Ruth June: Dallas. 46. Single. Sister Helen: NYC. 42. Divorced, remarried; 6 children. Sister Swanee: Denver. 41. Divorced, remarried. Family inherited Hunt Oil Co., etc. 1974; split from first family, but on agreeable terms. Ray: Conservative money manager, turned company around, expanded. Hit real big time with North Yemen oil strike 1984; 10% Beatrice oilfield in North Sea. Also Woodbine Development, other Dallas, Fort Worth real estate; oil refinery, etc. Active in civic affairs. "Because of the way he spells his last name, Ray's had to earn his respect twice." Ruth June professional Christian speaker-singer; Swanee, Helen help social causes for mentally ill, poor. Not involved in first family's silver debacle, bankruptcies. Net worth estimated $1.25 billion.

Leonard Norman Stern

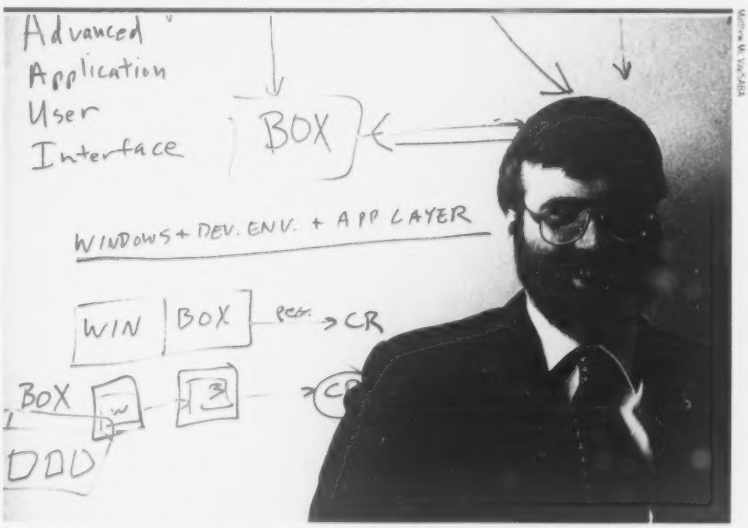
Pet supplies, real estate, publishing. NYC. 53. Divorced, remarried; 3 children. Father Max came to U.S. with 2,100 canaries from Germany's Harz Mountains 1926; sold birds, related products. Leonard earned M.B.A. by night, took over company at 21, added dog and cat supplies, made Hartz industry leader; 1970s antitrust suits cost him $50 million in settlements. Now over 1,200 pet supply products; estimated 1990 sales near $1 billion. Built separate real estate fortune developing New Jersey Meadowlands (empty marshlands near NYC), waterfront areas: office, industrial, condo space, much land still empty. Bought Village Voice for $55 million 1985. Started NYC weekly 7 Days 1988 but folded 1990—too many losses, too few paid subscribers, no ready buyers. Gave alma mater New York University $30 million for business school 1988; also backs shelters for the homeless: "My kids will have less, but I'm doing something in my life that pleases me." Kids may get by: estimated $1.2 billion fortune.

Daniel Keith Ludwig

Shipping, real estate. NYC. 94. Divorced, remarried; 1 daughter by first marriage, 2 stepchildren. Son of Michigan real estate agent. Quit school at 19, borrowed $5,000 to convert old steamer. In 1930s chartered tankers to oil companies, used leases as collateral to build the tankers. In WWII built U.S. government tankers, got them back free after V-J Day: world's third-largest tanker fleet. Postwar built first supertankers in low-cost Japanese shipyards. Invested in real estate, mines, oil and gas around world. Sank over $1 billion into Amazon wood pulp empire, towed power plant and paper mill from Japan; lost all. Shipping empire allowed to shrink. Invested in 4 savings and loans now managed by Resolution Trust. $1 billion N.J. development project opposite Manhattan stalled since 1983. Gave foreign assets to Swiss cancer institute 1971 but controls it as private corporation. Reclusive, allowed photo in 1985 after 20 years. Used to walk to work, flies commercial. Once told employee: "Working on a deal is better than a climax." Fortune estimated at $1.2 billion.

Samuel Curtis Johnson

S.C. Johnson & Son. Racine, Wis. 63. Married, 4 children. Great-grandfather parquet flooring salesman, founded famous floor wax firm 1886. Sam fourth generation, new-products director 1955; encouraged non-Johnson's Wax items (Raid, Glade, Edge, Agree), now among company's most profitable lines. "We are polishing the floors and furniture, cleaning the rug, killing the bugs, sweetening the air and waxing the old man's car. And whenever you get bit by a mosquito, remember I'm smiling." Highly secretive about business. But took his recreational accessories company Johnson Worldwide Associates public 1987 to give heirs liquidity. Four children with firm: Curt, 36, runs business development; Helen, 34, U.S. marketing services; Fisk, 33, Canada general manager; Winifred, 31, public relations. Sam controls 60% of more than $3 billion sales wax company, etc. Relaxes with hunting,



Number 16, Microsoft cofounder Paul Gardner Allen
After beating back Hodgkins disease, how far will he go with Asymetrix Corp.?

fishing, photography, flying (holds commercial pilot's license for jets). Johnson can afford more than enough jets: estimated net worth over $1.15 billion.

Laurence Alan Tisch
Preston Robert Tisch

Brothers. Loews Corp. Beginning with Lakewood, N.J. resort (bought with father Al 1946); built $17 million Fla. hotel without mortgage 1958, now 15-hotel chain. Acquired control Loews Theatres, Inc. 1959; over years, moved company into tobacco, insurance, Bulova watch. Larry's roguish love for corporate rebounds inspired purchase of nearly 25% CBS stock; led to boardroom coup 1986. Larry's efforts to turn around: swiftly sold magazine, record, music publishing divisions 1987-88, paid down some debt. Lately family investing in could-be-bargain bank stocks (fund guided by Larry's son Tom), underwrote risky Saatchi & Saatchi stock offering. Larry: NYC and Westchester, N.Y. 68. Married, 4 children. "Mr. Inside," behind-the-scenes financial and strategic genius. Graduated NYU at 18, master's electrical engineering, attended Harvard Law. Business philosophy: "Profits will follow from quality"; image taking beating at CBS, hopes sports programming will spark network. Eldest son, Andrew, runs Lorillard (tobacco). Bob: NYC and Rye, N.Y. 65. Married; 2 sons, 1 daughter. "Mr. Outside," client-oriented. As U. of Michigan graduate student, aggressively sold 10-cent key chains before football games. Left Postmaster General post March 1988, after negotiating union contract that eluded predecessors 12 years. Hobnobs with Democrats, Republicans; recently purchased half of N.Y. (football) Giants for $75 million. Son Jonathan, son-in-law of Saul Steinberg, runs Loews Hotels. Active philanthropists, NYU donations alone exceed $45 million. With Loews stock, real estate, other assets, each brother is worth at least $1.15 billion.

Edward Crosby Johnson III and family

Fidelity Investments. Boston. 61. Married; 2 daughters, 1 son. Father, Edward II, lawyer, acquired failing Fidelity Management Corp. 1946; built leading mutual fund manager. Includes biggest stock fund, Magellan (assets, $17 billion). Son "Ned" chief executive 1972; weathered decade's industrywide downturn; rebounded as Johnson pushed money market funds, also computerized the business. Big on service: first to offer withdrawal by check. Created mutual funds for every investor strategy to gain market share. Expanded services in face of 1987 stock market crash; currently nurturing discount brokerage firm, international funds. With $145 billion under management, Ned's, family's estimated 47% stake worth $1.1 billion.

Donald Leroy Bren

Real estate. Newport Beach, Calif. 59. Twice divorced, 4 children (new baby with longtime companion). Hollywood rich kid: Dad was real estate developer/movie producer Milton Bren, stepmother actress Claire Trevor. Built hot rods in high school; attended U. of Wash. on skiing scholarship, lost Olympics bid 1956; Marine Corps. With $10,000 bank loan built first house 1958; flourished in ensuing home-building boom. Sold out 1970 to International Paper for $34 million; bought Bren Co. back 1972 for reported $22 million. Big break 1977 when tapped to join Al Taubman, Milt Petrie, Max Fisher, Herb Allen, others to buy Irvine Ranch. "Each of their egos could fill the room." Bought out most partners for $518 million 1983 (valuing property at $1 billion). Partners/original owners Joan Irvine Smith and Athelie Clarke would not sell, sued, won over $250 million. Bren now controls 63,000 acres Orange County; expensive condos, office parks, etc., so far cover 5%: "The land is my canvas. It's my way of expressing myself." Growing environmental no-growth forces pushing for minimalist art. Estimated worth over $1.1 billion.

David Rockefeller Sr. and family

Inheritance. Banking, real estate. NYC, Tarrytown, N.Y. 76. Married, 6 children. Grandson of John D.

Bruce Kluckhohn/Black Star

Edgar Miles Bronfman Sr., worth $2.3 billion
A big fan of Lech Walesa.

Rockefeller; youngest of 5 brothers *(see Rockefeller family, Laurance, Winthrop)*. Still chairman Rockefeller Group, but 80% of highly diversified investment firm (real estate finance, brokerage, development; leveraged buyouts; bridge loans; portfolio management, et al.) now belongs to Japan's Mitsubishi Estate Co. Ph.D. economics U. of Chicago 1940. Only brother with successful career in traditional family business, Chase Manhattan Bank CEO 1969-80. Took up mantle of international statesman. Major role NYC real estate (including ill-fated Westway project); 40% San Francisco's Embarcadero Center. Led family in 1985 cash-out of Rockefeller Center, acceding to wishes of cash-hungry younger relatives. His investments in real estate, his branch's family trusts, etc., estimated at least $1.1 billion.

Edward Lewis Gaylord

Broadcasting, publishing, real estate. Oklahoma City. 72. Married, 4 children. Worked in shadow of father, E.K., who bought into Daily Oklahoman 1903 and became one of state's power brokers; E.L. finally in charge when father died 1974, age 101. Hankering for country music led to $250 million purchase of Grand Ole Opry, Opryland USA and now thriving Nashville Network (including TV show *Hee Haw*). Made over $100 million selling Telerate stock in exchange for Dow Jones shares; sold two TV stations at 1987 market peak for $425 million. Now Oklahoma Publishing Co. includes newspaper, share in Texas (baseball) Rangers; 4 TV, 3 radio stations, various cable systems. Conservative, opinionated: TV networks "are too liberal and biased—they're anti-American, is what they are." Fortune conservatively estimated at about $1.1 billion.

Michel Fribourg and family

Grain trader. NYC. 78. Widowed, remarried; 5 children. Michel's great-great-grandfather started trading grain Belgium 1813; son prospered trading gold for wheat during 1848 famine. Family sent managers to found Continental Grain Co., Chicago 1921; immigrated after France fell 1940. Michel left U.S. army intelligence to take over on father's death 1944. Diversified into other agribusiness areas (sixth-largest poultry producer, top animal feed producer, hogs and cattle, specialty baking, flour milling), financial services; now merchant banking: "We have survived by working with our wits." Near $15 billion revenues, mostly low-margin grain trading. Made specialty of selling to Soviets for almost 30 years. Michel still chairman, son Paul executive vice president. Worth estimated about $1.1 billion.

Ray Stubblebine/AP Wide World

Ted Arison, with $2.3 billion

Run a tight ship, Micky.

Keith Rupert Murdoch

The News Corp. Ltd. Australia, London, NYC, LA. 60. Divorced, remarried; 4 children. Father Sir Keith celebrated editor Melbourne Herald. Rupert trained on London's Fleet Street. Oxford 1953. Took over Adelaide News age 23. Famous for sensational tabloid headlines: "Queen Eats a Rat." Bought Sydney Daily Mirror 1960. Diversified into TV, magazines, book publishing. Bought U.K. publications; to U.S. 1974 (N.Y. Post, Elle, Boston Herald, et al.). Bought Twentieth Century Fox, Metromedia TV stations. Owns Fox Broadcasting. Sold Premiere, Soap Opera News, New York magazine etc. to KKR for reported $650 million. Company highly leveraged but News shares, other assets some $1.1 billion.

Harold Clark Simmons

Investments. Dallas and Montecito, Calif. 60. Twice divorced, remarried; 4 daughters, 2 stepchildren. Son of Texas schoolteachers, worked as bank examiner, bought Dallas drugstore with $5,000 equity at 29. Created 100-store chain, sold to Jack Eckard Corp. for $50 million in stock 1973. Independent raider, collected conglomerate (chemicals, oil, sugar, fast food) through hostile takeovers; greenmail helped, too (GAF, $138 million; SeaLand, $89 million): "Everybody's got to do something." Most assets now in Valhi Corp., also real estate Tex., La., Colo., Ariz. Increased stake in Lockheed to 20% last year; proved big mistake: lost over $35 million. Bloodied but unbowed; amassing cash pile for the right deal. Active philanthropist: $10 million for arthritis research center 1985 (longtime sufferer), $41 million to U. of Texas Southwestern Medical Center 1988: "What do they think I am going to do with my money?" His answer: leave majority of assets to medical foundation. Family man; skier, tennis player. Stock, real estate recently estimated $1.1 billion.

Samuel J. Heyman ★

Corporate raiding, inheritance. 52. Married, 4 children. Yale; Harvard law degree; worked under Bobby Kennedy at Justice Dept.; became chief assistant U.S. Attorney in Conn. Moneyed background. When father died 1968, wanted to liquidate family real estate business: "It became so fascinating I decided to stay." Specialized in shopping malls. Then bought GAF shares 1981; successful proxy fight against "selfish management" put Heyman in control. Through Drexel's junk bond network, went after competing Union Carbide (stock manipulation charges against GAF), Borg-Warner; made over $450 million. Took GAF private 1989 through $1.4 billion LBO. Recently took public GAF specialty chemical units, dubbed International Specialty Products, on hope to expand internationally. Owns 85% GAF, but privately held debt reduces estimated worth to presumably unselfish $1.1 billion.

Milton Petrie

Petrie Stores. NYC, Southampton, N.Y. 89. Twice divorced, widowed, remarried; 3 children. Son of Russian immigrant pawnbroker who went broke. Started as $10/week department store clerk after high school, later lied way into advertising jobs. Changed named from Petrovitzky, opened a hosiery store 1929 in Cleveland with $5,000 (half of it won playing craps). Bankrupt by 1937, repaid his creditors within next two years. Continued expanding company through acquisitions. Now a successful chain of women's specialty stores (1990 revenues, $1.3 billion), "bubble gum" generation makes up the bulk of Petrie's clientele virtually nationwide; trade names include: Marianne, G&G, Stuarts. Owns 14.1% Toys "R" Us, 23.4% Paul Harris Stores, 18.2% Deb Shops. Harris just filed for bankruptcy, Petrie not yet selling off. Crusty, tough boss; yet office filled with teddy bears, gives away money spontaneously and anonymously to persons in need. "I try to pay the good Lord back for what he's done for me." Works mornings, plays bridge afternoons. His stock, other assets worth more than $1 billion.

Philip Frederick Anschutz

Oil, railroads, investments. Denver. 51. Married, 3 children. Kansas native, played piano at U. of Kans. frat parties. Father Fred oil rig operator, unknowingly bought ranch on oil-rich land; Phil bought dad out 1961, sold rigs. Aggressively pursued oil, gas leases. Struck it rich at Anschutz Ranch East in Wyo. and Utah 1970s; current crude reserves estimate about 50 million barrels. Sold Mobil half interest for $500 million 1982. Went into stocks, minerals, real estate (Denver's Anaconda Tower, Hyatt Hotel). Bought Rio Grande Railroad for $500 million 1984; added Southern Pacific 1988; still buying small lines. Controls network from Mississippi River to Calif., Mexican border to Wyoming; sold 175 miles of railroad rights to Los Angeles County 1990. Morgan Stanley in railroad deal with him; turning out better for Anschutz. Late last year sold 5% of debt-laden parent company Rio Grande Industries to Nippon Yusen Kaisha, Japan's largest shipping line, for estimated $75 million. Major Western art collection toured the Soviet Union in 1989. Reportedly marathon runner. Worth believed over $1 billion.

Kevin Horan/Picture Group

Robert Alan and Jay Arthur Pritzker, each with $2.25 billion

Says Jay: "Because of Dad, I could get anything from the bank, even if the request was unreasonable."

Margaret Hunt Hill and family

Inheritance, oil. 75. Widowed, 3 children. Eldest daughter of legendary wildcatter H.L. Hunt *(see Caroline Hunt)*: He taught her oil business when young. Controls trust for first-born son, Hassie (reclusive, history of mental illness, childless). Stayed away from brothers' silver debacle. Helped them out buying their repossessed land after 1980 silver crash. Reportedly insisted "the boys" use additional personal assets to secure company; she denies. With sister Caroline, pulled out her and Hassie's share family oil trusts 1983. Now runs separate oil, real estate operations. Son Al runs Hill Holdings Inc., managing partner of Hill Investments Ltd. Al owns video production company AGH Productions: corporate training, commercials, sports instructional videos. Her fortune, including Hassie's trusts, is estimated at over $1 billion.

Jack Kent Cooke

Real estate, investments, sports. Middleburg, Va. 78. Married for fourth time last year; 2 sons by first wife; daughter by third (who signed, ignored prenuptial agreement to terminate pregnancy) when he was mid-70s, she was early 30s; third divorce media event, Cooke only recently met his daughter. Ontario-born to picture-frame seller ruined in Depression. Jack sold encyclopedias door-to-door; bought into first radio station age 25, then newspaper chain, magazines. Millionaire before 30. Sold all properties; naturalized by act of Congress 1960. Bought LA (basketball) Lakers; brought in Wilt Chamberlain, Kareem Abdul-Jabbar, Magic Johnson; built Forum; sold all 1979. Bought NYC's Chrysler Building, other properties for $87 million 1979; refinanced for $250 million 1987. Owns Los Angeles Daily News. Bought cable systems for $1 billion 1987; sold 1989 for $1.6 billion "mostly cash" before cable market turned; only recently closed deal. Probably won't sell Washington (football) Redskins: planning $175 million D.C. stadium. Keeping cash safe in CDs, far from stock market, total fortune estimated $1 billion.

Henry Ross Perot, [illegible]h $2.2 billion
"You can put me on your list as worth a dollar."

William Redington Hewlett

Hewlett-Packard. Portola Valley, Calif. 78. Widowed, remarried 1978; 5 children, 5 stepchildren. Met co-founder David Packard *(which see)* as Stanford undergrad. With $538 duo set up electronics company in now-famous Palo Alto garage behind Packard's house 1939. Bill supplied technical expertise. First breakthrough product, audio oscillator, based on Hewlett's design developed for MIT master's thesis. Walt Disney bought 8 to film *Fantasia*, boosting HP. Other early products developed to "bring in a nickel" but never did: automatic urinal flusher, shock machine to spur weight loss. But technological advances spurred expansion: e.g., in 1972 Hewlett ordered up calculator to fit his shirt pocket; other products include desktop computer systems, LaserJet printer, etc., etc. Hewlett insisted on first names in the office; managed by "wandering around." Retired 1987. Not a romantic about past; on garage's receiving landmark designation: "The only trouble is, you can't tear it down now." His shares of HP recently worth $1 billion.

Joan Beverly Kroc

Inheritance. Rancho Santa Fe, Calif. 63. Divorced, widowed; daughter by first marriage. Third wife of Raymond Kroc, who dropped out of high school to become a jazz pianist, later a paper-cup, milkshake-machine salesman out of Chicago; bought into McDonald brothers' San Bernardino burger joint 1954, bought them out for $2.7 million 1961. McDonald's Corp. now world's largest chain fast-food restaurants. Joan worked as a musician, music teacher. When 28 met Ray, then 54; wed 1969. After Ray's death 1984, Joan showed bent for altruism: Ronald McDonald children's charities, et al. Former fat cat for Democrats. Art collector: owns Fabergé egg acquired for $3 million 1989. Former owner San Diego (baseball) Padres, bought by Ray in 1974 for $11 million, sold last year for $75 million. Says her actions are result of her "love affair with life." Her Mcstock, other assets, recently worth very romantic $1 billion.

James Lawrence Walton

Wal-Mart Stores. 69. Bentonville, Ark. Divorced; 2 children. Ran small five-and-dime store in Missouri. Pooled resources 1950 with older brother Sam Walton *(which see)* to pursue merchandising idea of large discount stores in rural towns. Brothers expanded chains to 15 stores next 10 years; became Wal-Mart 1962. James (Bud), the quieter of the two, looked after the real estate. Brothers still close. Company now largest retail store in the country (1990 sales, $32.6 billion). Currently senior vice president. Arkansas' happiest good ol' boy. Travels to fish (Alaska, Argentina, etc.). His 20.4 million shares Wal-Mart stock recently worth over $1 billion.

Curtis LeRoy Carlson

Entrepreneur. Long Lake, Minn. 77. Married, 2 daughters. Father Swedish immigrant grocer; young Curt subcontracted his paper routes to brothers, reaped small profit. U. of Minn. 1937; sold soap for Procter & Gamble, $110/month. With $50 loan, founded Gold Bond Trading Stamp Co. 1938, sold idea to grocery stores with help of wife dressed in majorette costume. "The minute I got out on my own, I knew that I'd found my element." Purchased first hotel 1962; zealously built one-man conglomerate with Radisson Hotels (many franchised), Country Kitchen restaurants, TGI Friday's restaurants, Carlson Travel Network (formerly Ask Mr. Foster), Carlson corporate motivation and promotion divisions; ruffles many feathers at "Ulcer Alley" with mercurial management style. Recovering from recent quadruple heart bypass surgery but returning to speed; gradually turning over control to son-in-law Edwin C. (Skip) Gage. Estimated worth $1 billion.

John Marmaras/Woodfin Camp

Ken Regan/Sipa

Wild about Harry, Leona Helmsley stands convicted a decade later

Once it was ballroom dancing and holding hands for the cameras. But along with her conviction for tax evasion, Leona was convicted in the media as the Queen of Mean. The court ruled Harry incompetent to stand trial.

George Soros

Money manager. London, NYC, Southampton, N.Y. 61. Divorced, remarried; 5 children. Hungarian born, hid from Nazis in family's attic. Paris after war, then to London School of Economics; Wall St. 1956 as analyst, currency trader. Started Curaçao-based fund, now Quantum Fund, 1969, with colleague Jim Rogers (no longer involved): non-U.S. investors only. Twenty-year compound rate of return over 30%. Constantly traveling. Funded Budapest business school, first in Eastern Europe. Set up Hungary Fund 1989; resigned January 1991, citing conflict of interest with other funds. Puts money where mouth is: holds large number of shares in own Quantum Fund; with other assets believed to be worth $975 million.

Kirk Kerkorian

Investments. Beverly Hills, Las Vegas. 74. Twice divorced, 2 children. Son of Armenian immigrant fruit farmer; junior high dropout, lightweight amateur boxer; repaired and sold junk cars; trained U.S. fighter pilots, captain in Royal Air Force WWII. Flew surplus Air Force planes across Atlantic, built charter airline; sold company for $104 million profit 1966. Paid $82 million for 40% MGM in hostile takeover 1969, $380 million for United Artists 1981; merged both 1986. Shuffled assets in complex deal with Ted Turner 1986: MGM/UA to Ted for $500 million plus stock, bought back bulk for $480 million 1987. Recently sold entire bag to Giancarlo Perretti's Pathe for $1.3 billion. Since bought chunk of Chrysler; still shopping. Owns 81% MGM Grand: hotel-casinos, luxury airline; $700 million plan for Las Vegas movie theme park, 5,000-room hotel-casino. Claims never to have taken any salary or perks from companies. Worth over $965 million.

Marvin Maynard Schwan

Ice cream, pizza. Sioux Falls, S.D. 62. Divorced, remarried; 4 children. Father Prussian immigrant to Minnesota 1921; built dairy plant 1948. Son Marvin put self through Bethany Lutheran College, worked summers; joined family milk bottling plant 1950. Local price cap forced business out on road. Found isolated rural families eager buyers from Schwan trucks, soon equipped like traveling 7-Elevens. Now Schwan Sales Enterprises sales more than $1 billion, 2,300 computerized trucks, 49 states: dairy, frozen pizza, juices, more. Building pizza business, food supplies estimated 92% U.S. school lunch sales. Private, modest offices. Rival: "I have never met a tougher competitor in my life." Estimated at least $950 million.

Donald Worthington Reynolds

Publishing. Las Vegas. 85. Thrice divorced, 3 children. Son of door-to-door grocery peddler. "We never missed any meals, but that was about it." Worked way through U. of Missouri journalism school. Fired from first two jobs. Scraped together enough to invest in printing plant. WWII shrapnel hit in forehead: "It got rid of my sinus trouble." Helped publish wartime magazine Yank. After, acquired small dailies, built highly profitable Donrey Media Group: 53 dailies, 61 nondailies, TV station, 5 cable companies, billboards. Union-buster, cost-cutting fanatic. "Ungrateful" children uninterested; foundation to get estimated $950 million empire when Reynolds reaches that "big newsroom in the sky."

Edward Perry Bass

Oil, investments. Fort Worth. 46. Single. Second of 4 brothers *(see other Basses)*. Yale; Coast Guard; Yale architecture school; only non-M.B.A. Bass brother. Influenced by commune outside Santa Fe, funded worldwide projects including Nepal hotel: "One thing my travels have given me is an

understanding of culture and an appreciation of culture." Spending millions on experimental enclosed ecosystem Arizona: Biosphere II. Loner. Spends half year at 500,000-acre Australian cattle ranch. Over $20 million to establish Institute of Biospheric Studies at Yale. Planning $25 million downtown Fort Worth housing development. "Only 10% of his investments are nutty." Oil, real estate declines may put net worth below $1 billion.

Barbara Piasecka Johnson

Inheritance. Princeton, N.J. 54. Widowed, no children. Third wife John Seward Johnson (d. 1983), heir to Johnson & Johnson empire. Art history M.A., U. Wroclaw; to U.S. 1968. First his upstairs chambermaid, then "personal" curator, scuba diving partner. John, then 76, married "Basia," then 34, 1971, 8 days after his divorce. Couple built $30 million country estate where Basia now resides, near Princeton: "Jasna Polana." Huge battle over John's will. Offer to save renowned Gdansk shipyards 1989 fell through when Polish workers turned down $1/hour, 2,000 layoffs. Bought 18th-century Italian Badminton cabinet for record $15 million 1990. If all inherited J&J stock still held, recently worth over $940 million.

Orville Wayne Rollins

Rollins, Inc. Atlanta. 79. Married, 2 children. Grew up on father's farm, schoolteacher mother. No college, worked 72-hour week for $10 in textile mill during Depression. Made TNT during WWII. With brother John started auto dealerships; bottled water; radio ventures. Started Rollins, Inc. 1948, grew by acquisition: media, oil and gas services, security systems, Orkin Exterminating. Split company into 3 public firms 1984: Rollins, Inc., RPC Energy Services, Rollins Communications, Inc. Rollins Communications sold 1986 for $600 million; his share $290 million. Sons Gary, Randall in management. Gives millions to rural colleges and Emory U.; small fliers in fledgling firms. Estimated worth over $930 million.

Joseph Albertson

Albertson's Inc. Boise, Idaho. 85. Married, 1 daughter. Left college early in Depression for $14-a-week job: Safeway store manager in Kansas. In 1939 opened Boise grocery with $5,000 life savings, $7,500 loan from wife's aunt. Imagined different kind of grocery—with bakery and drugstore. Cofounded Skaggs-Albertson's 1969 with L.S. Skaggs *(which see)* to build dream; amicable split 1977. Now more than 500 stores in 17 states; 1990 sales, $8.2 billion. Does not run company anymore, but still goes to work every day, living by motto: "Work like hell and make money." Man who once blew fresh-baked-bread smell through the store to stimulate buyers says that same basics have applied to business for 50 years: "You need a product that people are ready and willing to buy, plus all the tender love and care you can give them." With 16% of affectionate Albertson's stock, net worth exceeds $930 million.

Laurance Spelman Rockefeller

Inheritance, investments. NYC and Tarrytown, N.Y. 81. Married; 3 daughters, 1 son. Grandson of John D. Rockefeller *(see family, et al.)*. Big returns on early venture capital investments seeded from huge 1934 trust: Eastern Air Lines, McDonnell Douglas, $100 million gain Apple Computer. Also developed remote, exclusive resorts (some resorts, management arm sold 1986 to CSX; little activity since). Supported NYC Westway project with brother David. Gave $36 million to Memorial Sloan-Kettering Hospital; pledged $21 million to Princeton; supports Zendo, an offshoot of Buddhism; donated thousands of acres to national parks, reserves. His, immediate family's portion Rockefeller fortune estimated near $900 million.

Marc Rich
Pincus Green

Trading partners. Zug, Switzerland. Rich: 56. Divorced, remarried; 3 daughters. Green: 57. Married; 2 sons, 2 daughters. Rich: Belgian-born; family fled Europe to U.S. 1941. Quit NYU for Phillip Brothers mailroom. Rose with Brooklyn-born "Pinky" to star trader; helped build Phibro into then world's largest commodities firm. Pioneered spot oil market 1968. Phibro reneged on million-dollar bonus; Rich walked, launched Marc Rich & Co. with former Phibro execs 1973. (Got ultimate revenge, acquired Phibro this year.) Traded Iranian crude during hostage crisis; shipped profits to Switzerland. Pair fled tax evasion charges, to Switzerland 1983. Paid $200 million federal fines so U.S. arm Clarendon could resume business 1984; both still on wanted list. Zug-based company now world's second-largest commodity trader after Cargill *(which see)*. Built controlling position in aluminum market at bottom of market mid-1980s. With Phibro acquisition and joint venture with French company Total-Cie Française des Pétroles, company aggressively focusing on refining and trading oil; wants to expand into Eastern Europe. Pinky's heart bypass led him to retire last summer; bought out for reported $1.5 billion to be collected over 10 years. Rich, "business machine," intense, going through messy, expensive divorce settlement. Green's current net worth estimated at $800 million; Rich, $900-million-plus.

David Geffen

Recording. Malibu, Beverly Hills, Calif. 48. Single. Born Brooklyn. As usher for CBS "fired as too aggressive." Landed in legendary William Morris mailroom; managed folk acts. Founded Asylum Records 1970. Recorded Eagles, Bob Dylan, etc. Sold to Warner 1972 for "biggest number I could think of": $7 million. After cancer scare, started up Geffen Records 1980: heavy-metal bands Whitesnake, Guns N' Roses, etc.; movies *(Risky Business)*, Broadway *(Cats)*. Sold to MCA for $550 million stock. When Matsushita bought MCA, upped to $710 million in cash. Owns 25% of worldwide rights to hit *Miss Saigon*. With real estate, homes, etc., certainly worth $880 million. Claims well over $1 billion: "You guys get it wrong every year."

William Randolph Hearst Jr.
Randolph Apperson Hearst
George Randolph Hearst Jr.
Phoebe Hearst Cooke
Millicent V. Baoudjakdji
David Whitmore Hearst Jr.
and families

Inheritance. Children and grandchildren William Randolph Hearst, whose father, George Hearst (prospector, land baron, U.S. senator), received failing San Francisco Examiner to settle gambling debt 1880. Only child, Harvard-expelled "Billie Buster," assumed control 1887. Built nation's largest newspaper chain, became country's most controversial media baron. Out-sensationalized former employer Pulitzer *(see family)* in great NYC newspaper wars. Pushed Spanish-American War to increase circulation: "You furnish the pictures and I'll furnish the war." Model for Citizen Kane; built $30 million temple of excess San Simeon, now owned by state of Calif. Died 1951; left control of company in foundation run by cronies. Heirs arranged buyout 1974 after long battle. Company now owned by descendants, under professional management. Hearst Corp. now estimated over $2 billion sales; 12 dailies, 14 consumer magazines (Cosmopolitan, Esquire, Harper's Bazaar, etc.), 15 trade magazines (Official Used Car Guide, etc.), 6 TV stations, 6 radio stations, books, real estate, timberland. "The more diverse we are, the better off we are going to be." No buyer found for ailing Los Angeles Herald Examiner; closed Nov. 1989. Five family branches: 1) Surviving son William Jr.: NYC. 83. Twice divorced, widowed; 2 children. Editor-in-chief Hearst Newspapers since 1955; Pulitzer-winning columnist 1956. Heads family trust. Son William Randolph Hearst III Examiner publisher. 2) Surviving son Randolph: NYC. 75. Twice divorced, remarried; 5 daughters (including Patty) by first wife. Hearst Corp. chairman. 3) Children of George Randolph Sr. (d. 1972): George Jr.: Los Angeles. 64. Widowed, divorced, remarried; 4 children. Ran Herald Examiner 1962-77, supervises real estate. Twin sister Phoebe: San Francisco. 64. Divorced, remarried; daughter. Played major role with current husband in family trust's 1974 buyback. 4) Children of David Whitmore Sr. (d. 1986): Son David Jr.: Los Angeles. 46. Single. His sister Millicent: Los Angeles. 51. Married, 3 children. 5) 4 children of son John Hearst (d. 1958): John Jr., 57, only one active (company director). Each branch has one fifth of Hearst empire, now estimated worth some $4.4 billion.

Donald Joyce Hall
Barbara Hall Marshall
Elizabeth Ann Reid

Brother and sisters. Hallmark Cards. Mission Hills, Kans. Father, Joyce Hall (d. 1982), with brothers began distributing postcards 1905, soon switched to greeting cards. Created new American industry, literally taking words out of public's mouth: prepackaged sentiment for all occasions. Heavy advertising in '20s burnished name recognition; avoided WWII rationing by convincing government that cards boosted national morale. Now Hallmark leads the industry (1990 sales $2.7 billion). More than 700 employees develop about 24,000 cards and related products a year. Company already has nearly 1,000 cards in new nonoccasion category: "This is hard to say, but I think you're a much neater person when

UPI/Bettmann

Joan Kroc with low-fat mascot and late husband, Ray **A decent interval after the MacDonald burger czar's death in 1984, the widow dumped his politics (Republican) and his hobby (baseball) and lately even some of his stock (she now owns 6%) to give to Dukakis and other Democrats, and to peace, anti-nuclear and Catholic causes.**

you're not drinking." Good luck. Hallmark also has stakes in media groups. Family controls two-thirds of private company. Donald: Mission Hills, Kans. 63. Married, 3 children. Chairman's third estimated $860 million. Barbara: Kansas City, Mo. 68. Widowed, 2 children. Elizabeth: Denton, Tex. 68. Divorced, 5 children. Sisters each have one-sixth Hallmark, estimated $430 million each.

Charles F. Feeney

Duty Free Shoppers, real estate, etc. London. 60. Married, 5 children. Started in Hong Kong 1960 with Cornell School of Hotel Administration classmate, built world's largest duty-free retailer; sales near $2.5 billion. Japanese tourists main customers: Gave tour guides hefty commissions for luring tourists to stores. Left operations 1970s to invest huge cash flow through Bermuda-based General Atlantic Holding company, Hong Kong/San Francisco-based InterPacific. Resort hotels in Guam, Saipan; Tahiti shopping center; Taiwan watchmaker, etc. High-strung, fast-talking. Flies economy. Reclusive. Margins, sales down with fall in tourism, but with 40% of Duty Free Shoppers probably still worth more than $850 million.

Winthrop Paul Rockefeller

Inheritance. Morrilton, Ark. 43. Divorced, remarried; 3 children by first wife; 2 by second. Great-grandson of John D. Rockefeller, only child of "black sheep" Winthrop (d. 1973, *see Rockefeller family, et al.*), who converted rocky mountaintop area into Winrock Farms; twice Arkansas GOP governor. Win Paul offspring of John D.'s brief marriage to Barbara (Bobo) Sears; European schooling; dropped out of Oxford after first year. Runs Winrock, one of largest private cattle operations in Southeast; also president, chairman of the Billfish Foundation. Set up Law Enforcement Assistance Foundation to aid local sheriffs; in past, sometimes accompanied local police on patrols. Very philanthropic. His share of Rockefeller fortune believed to be at least $850 million.

Steven Anthony Ballmer

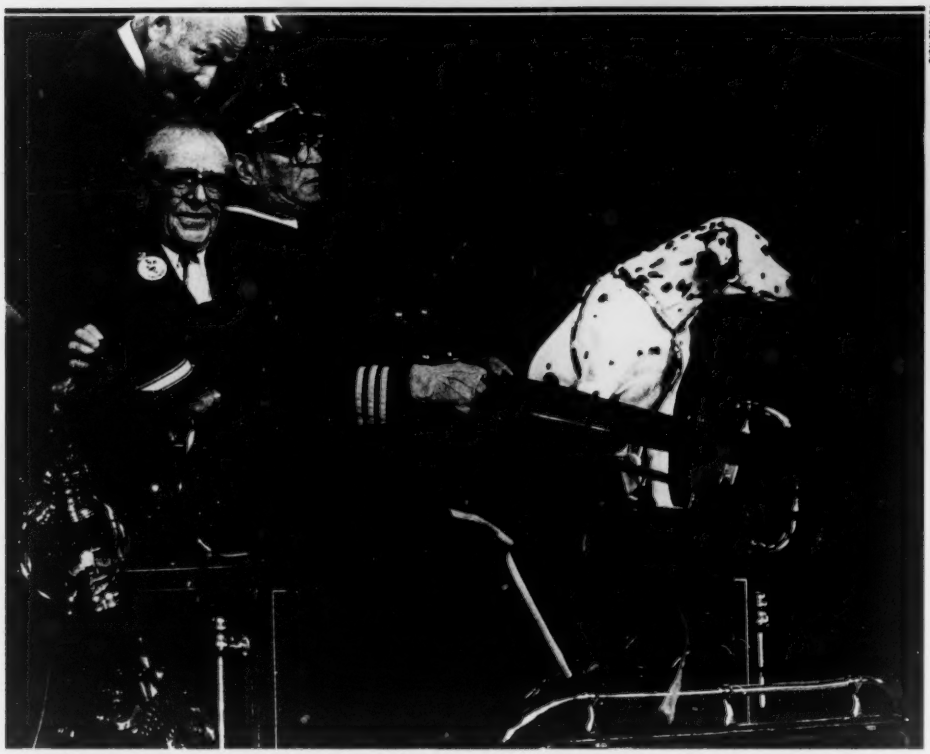
Microsoft Corp. Bellevue, Wash. 35. Married. Son of Swiss immigrant; grew up in Detroit. Assistant product manager Procter & Gamble. Left B-school 1980 to join Harvard classmate Bill Gates *(which see)* as first nonprogrammer at Microsoft. Four years later stated two objectives of the company: innovate state-of-the-art software and radically influence the way people live. Now senior vice president systems software group (MS-DOS, OS/2, etc.). Described as the ultimate marketing guy, showed up on video for the MS-DOS 5.0 introduction in Karl Malden garb, declaring "no PC should be without it." Elected to Harvard's Board of Overseers. His Microsoft stock recently worth $850 million.

James R. Cargill
Margaret Cargill
W. Duncan MacMillan
John Hugh MacMillan III
Marion MacMillan Pictet
Whitney MacMillan
Cargill MacMillan
Pauline MacMillan Keinath

Inheritance. Grandchildren, great-grandchildren of William W. Cargill, Long Island-born immigrant's son who moved west, set up Cargill Inc. to trade grain 1865; quickly surpassed competition. John MacMillan Sr. took over 1909, after death of father-in-law Cargill; victor in power struggle with Cargill's son. Became world's largest commercial grain trader; now also giant international grain, oilseed processor; plus salt mines, steel fabricating, Chicken McNugget maker, etc. Branched into futures brokerage services 1970s. Private as ever; 1990 sales $49 billion, net income over $300 million—books said to be conservative, large sums plowed back into company. Whitney MacMillan current CEO; proposed ESOP to increase family's stock liquidity voted down by elders, lest fifth generation squander wealth: "Our best investment is Cargill." Three branches believed to split equally voting stock controlling estimated $5-billion-plus fortune. First branch: James: Minneapolis. 67. Married, 3 children. With Cargill since 1947, retired as senior vice president 1990; still director. Runs Dinnaken Properties, builds housing for U. of Minnesota. Expert trout fisher; amateur gemologist, owns small jewelry store. Margaret: La Jolla, Calif. 71. Never married; extremely private. Second branch: Duncan: Wayzata, Minn. 61. Married, 4 children. Cargill director, vice chairman Waycrosse, Inc., family investment firm. Bought small National City Bank of Ridgedale 1989. Hugh: Hillsboro Beach, Fla. 63. Divorced twice, remarried this time to 25-year-old amateur fisherwoman; 9 children. Marion: Geneva, Switzerland. 58. Twice divorced. One daughter, another child deceased. Mostly stays abroad. Third branch: Whitney: Minneapolis. 62. Married, 2 children. Sold vegetable oil for Cargill after Yale (1951); after first nonfamily head of firm 1960-77, became chairman 1977. Continued drive beyond grain trading into chemical coatings, animal feeds, cooking oils, etc.; cochairman Institute for East-West Security Studies. Cargill: Palm Spings. 64. Divorced, remarried; 4 children. Senior vice president Cargill 1973-88, divorced, then retired, soon after remarried. With new wife (former secretary in company), abandoned Minneapolis for life of golf, art collecting, world travel, sumptuous resort home. Pauline: St. Louis. 57. Married, children. Works with handicapped children. Not active in company.

Paul Mellon

Inheritance. Upperville, Va. 84. Widowed, remarried; 2 children by first wife. Grandfather Thomas started Mellon Bank forerunners. Father Andrew: U.S. Treasury Secretary, founder National Gallery. With brother Richard B. (d. 1937), early venture capitalists in Gulf Oil, Alcoa, Koppers, etc. Paul dipped toe into family businesses, then settled into life of gentleman farmer. Still fox hunts on 4,000-acre estate. Adding to already huge art collections; famous for impressionists, English painters. One of top U.S. collections. Donated some $250 million in art to Yale,



AP/Wide World

Betty Burke Galeria

August Busch III

August (Gussie) Busch Jr., who died in 1989, was 76 when son August III replaced him in 1975

Gussie made and sold lots of beer, bought the St. Louis Cardinals, was a world-class horseman and involved the company with its first Busch Gardens theme park. Major diversification has been undertaken by August III. Meanwhile, challenged by Miller and Miller Lite, the 149-year-old brewery showed it knew how to win by marketing beer. Wall Street buys Bud: Old Gussie's stock, worth about $320 million when we published our first Forbes Four Hundred in 1982, has risen to over $1.3 billion now.

National Gallery and Va. Museum of Fine Arts; will bequeath remaining art which alone may be worth well over $700 million. With family trusts, art, etc. believed worth over $800 million. *(See also Scaife, May, Curriers.)*

Wallace Henry Coulter

Blood. Miami Springs, Fla. 79. Single. Dropped out of Georgia Tech while studying electrical engineering 1932. Numerous technical and service jobs while tinkering in Chicago basement. Developed the "Coulter Principle" 1949: time-saving electronic method of counting microscopic particles. Then Coulter Counter, blood cell counting instrument 1953. Founded Coulter Electronics 1958 with brother Joe. Estimated 95% of automated blood counters worldwide use Coulter or clones. Recipient John Scott Award 1960 (past winners: Marie Curie, Jonas Salk), adjunct professor U. of Miami medical school. Company valuable too: conservatively estimated at $800 million.

Carl Henry Lindner Jr. and family

Insurance, banking. Cincinnati. 72. Married, 3 sons in business. Left high school to deliver milk for family-owned dairy business during Depression. Opened ice cream store, built to 220-store United Dairy Farmers chain. Formed American Financial Corp. with 1 small S&L 1959; added insurance 1971. Had a golden touch with investments. AFC's portfolio made over 60 times its original investment from 1961 until it went private 1980 for $340 million. Last big deal, acquiring Taft Broadcasting to build Great American Communications. Large portion AFC transferred to sons, other family; Carl Jr. still retains estimated $350 million directly. Total, believed still run by Dad, estimated at $800 million.

Dorrance Hill Hamilton
Hope Hill van Beuren
Charlotte Colket Weber
Tristram C. Colket Jr.
Diana Strawbridge Norris
George Strawbridge Jr.

Campbell Soup. Six of 9 grandchildren of John Dorrance Sr., whose canned soup became part of the "American way of life." Left third-largest estate in U.S. 1930, over 50%

went to John Jr. *(see John T. Dorrance III)*; one-eighth to each of 4 daughters, all deceased; their children, grandchildren inherited. After John Jr. died 1989, family divided on whether to sell Campbell. After some time, Diana backed off, leaving Dorrance and Hope as only sale advocates (both sold off 1 million shares in past year). Dorrance (Dodo): Wayne, Pa. 63. Married, 3 children, 7 grandchildren. Oldest of nine cousins, only one born in John Sr.'s lifetime. Always seen wearing a hat. Favored selling her 6.7% for her children's sake: "I had to look after my family and not the family as a whole." Dodo had to share inheritance only with sister; her stock, other assets recently estimated $790 million. Her sister Hope (Happy): NYC, Newport, R.I. 57. Married, 3 children. Husband John an investor. Son Archbold business director ready-to-serve soup at Campbell. Stock, other assets worth $710 million. Diana: Palm Beach, Fla. 52. Divorced, 2 sons; remarried, 1 daughter; bitter divorce now pending. Horse farm "Runnymede," Coatsville, Pa., ski chalet Vail. Her stock, assets worth $320 million. Her brother George: Chester County, Pa. 54. Married, 2 children; divorced; remarried, 1 more child. U. of Pennsylvania grad, owns Augustin Stables in Chester County, Pa., piece of Buffalo (hockey) Sabres. Unlike Diana, George always opposed sale; his 2.1% stock, other holdings, worth $275 million. Charlotte and Tristram neutral on sale issue. Charlotte: Ocala, Fla., NYC. 48. Married, 4 children. Studied at Sorbonne; donated $20 million Chinese art to Metropolitan Museum; rest of collection worth over $100 million. Fortune estimated well over $700 million. Brother Tristram: Paoli, Pa. 53. Married, 3 children. After Trinity College, attempted entrepreneurship with mixed results. Founded Altair Airlines 1966, filed bankruptcy 1982. Most recent endeavor: reviving closed Cressona Aluminum Co. Avid sailor's shares weigh in at $285 million.

Betsey Cushing Roosevelt Whitney

Inheritance. Manhasset, N.Y. 83. Divorced, widowed; 2 children by first husband (James Roosevelt, eldest son of Franklin Delano Roosevelt). Daughter of famed brain surgeon Harvey Cushing; frequent F.D.R. White House hostess 1930s; favorite daughter-in-law. Divorced 1940; married John Hay (Jock) Whitney 1942, heir to huge 19th-century fortune (oil, tobacco, land, rails). Jock died 1982. Stunning impressionist collection first shown publicly in National Gallery: Famous "key pictures" included Renoir's "Le Moulin de la Galette," sold for $78 million; Degas, van Gogh, Monet, etc. Philanthropist, lives on 500-acre Long Island, N.Y. estate. Believed worth at least $775 million.

Donald John Tyson
Barbara Tyson

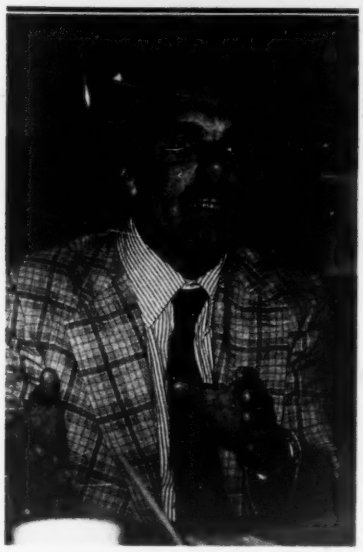
Tyson Foods. Brother, sister-in-law. Fifth-generation farming family founded Tyson Feed & Hatchery 1935. Tyson Foods, Inc. went public 1963. Family tragedies: Don took over after father, stepmother died in 1967 car crash; Barbara inherited husband Randal's shares when he accidentally choked to death 1986. Acquisitions ignited growth; built only 2 of 47 plants. By 1985 sales topped $1 billion. With takeover of Holly Farms ($1.5 billion) 1989, became nation's largest poultry supplier at the time. Company 1990 sales, $3.8 billion; huge supplier of restaurant chains; moved into pork market 1970s, beef 1989. Chairman Don's preference: employees to keep suits in closet, wear khaki farm clothes to work. Don: Springdale, Ark. 61. Married, 3 children. Favorite hobby: deep-sea fishing for marlin. Barbara: Fayetteville, Ark. 42. Widowed, no children. Together, Tysons own 99% Class B common stock. Don's shares worth $765 million, Barbara's $550 million.

Robert D. Haas ★
Rhoda H. Goldman ★
Peter E. Haas Sr.
Peter E. Haas Jr. ★
Josephine B. Haas ★
and families

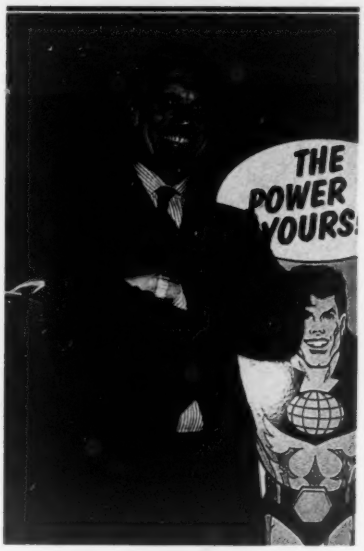
San Francisco. Bavarian immigrant Levi Strauss sold pants made of tent canvas to Calif. '49ers; patented denim version 1873. Walter Haas Sr. (d. 1979) married Strauss' grandniece, ran Levi Strauss & Co. 1928-55. Son Walter Jr., 75, took company public 1971. Bought Oakland (baseball) A's 1980. Retired 1981, still active director, honorary chairman. Son Robert: 49. Married, 1 daughter. Took company private 1985 in $1.6 billion leveraged buyout; now chairman, chief executive officer of world's largest apparel firm (1990 revenues $4.2 billion). Debt paydown, rising sales and profits vastly increasing company's net worth. Philanthropist: "Even if the private sector helps create a thousand points of light across the land, it will be of no avail if there's darkness in the White House"; fortune, with family, estimated $280 million. Rhoda Goldman: 67, Walter Jr.'s sister, company director; with husband Richard established Goldman Environmental Prize, world's largest ($360,000) annual save-the-environment award; estimated $365 million with family. Peter Haas Sr.: 73. Married, 3 children. Walter Jr.'s brother, board member, estimated at least $760 million. Peter Sr.'s ex-wife Josephine Haas, in her late 60s, worth estimated $440 million. Their son Peter Jr., 44, company director, estimated $300 million. "Wealth is a responsibility and the sharing of it is a way of life."

Doris Duke

Inheritance. Somerville, N.J.; Newport, R.I.; Honolulu, et al. 78. Twice divorced; adopted daughter. Only child of James (Buck) Duke, who formed American Tobacco Co., Duke Power Co. Buck died 1925, left 13-year-old "Duchess" world's wealthiest girl. Dogged by reporters through unsuccessful marriages. Built $30 million Honolulu estate ("Shangri-la"), also New Jersey estate; one of world's largest private art collections. Plays jazz piano, works for historical preservation. "One of my principal endeavors is . . . a more humane treatment of the animal world." Posted $5 million bail for friend Imelda Marcos 1988. Adopted daughter Chandi Heffner reportedly disinherited over romance from possibly $750 million fortune.



Al Satterwhite/Picture Group



Gerardo Somoza/Outline

Ted Turner's come a long way from the days of gaffes and jackets like this (left). Now natty as a network news anchor, he flogs "Captain Planet," an environmentalist cartoon hero **But he was driven to major cable system customers, including Tele-Communications, Inc. and Time Inc., when he faced a cash squeeze in 1987. Turner still has voting control of his empire—for now. Time Warner recently put its number two man, Nick Nicholas, in its seat on Turner's board. Nicholas may be after more of what Turner has created from such coups as MGM's film library in a complex and costly deal from Kirk Kerkorian and CNN's 24-hour Gulf coverage, which even got piped into Saddam Hussein's headquarters. Turner may find more in common with TCI's John Malone than Time Warner's corpocracy.**

Carl Ray Pohlad

Banking, investments. Minneapolis. 76. Married, 3 sons. Father RR brakeman, mother laundress West Des Moines, Iowa; football scholarship Gonzaga U., dropped out to sell repossessed cars full time. Decorated WWII. Took over Minneapolis bank holding company 1955 after brother-in-law CEO died, acquired northern Midwest banks (assets now $4.5 billion). Took over bus company MEI; restructured as Pepsi bottler early 1970s, smartly diversified in candy, snack food distribution. Sold bottling 1986, food 1990: MEI now roughly half cash. Owner Minn. Twins ("I consider baseball a family culture"), part owner Vikings; one of founders Minneapolis Girls and Boys club; carries lucky buckeye nut. Estimated $740 million.

Donald George Fisher
Doris F. Fisher
Robert J. Fisher ★
William F. Fisher ★
John J. Fisher ★

The Gap. San Francisco. Husband and wife, their 3 sons. Donald 63; Doris, 60. Founded first store 1969; name refers to 1960s generational impasse. Don developed new customer conveniences to suit himself: e.g., displaying clothes by size, not style or brand. Sales boomed 1970s: jeans' golden age. After 1983 stock collapsed: competition from big retail chains. Gap diversified, remodeled stores, acquired Banana Republic same year. Began GapKids 1987. Now more than 1,160 Gap, GapKids, Banana Republic stores. Empire growing; Don says Gap plans to "open 150 stores a year, as well as expanding another 50." Sales $1.9 billion 1990. Sons: Robert, 36, married, 2 children; William, 34, married, 1 son; John, 30, married, 1 daughter. All attended Philips Exeter Academy, Princeton; Stanford M.B.A.s. Robert, president Banana Republic, joined company 1985. Donald and Doris *each* have stock recently worth $735 million. Robert's shares worth $295 million. William, a Gap employee, and John, $280 million each.

Ewing Marion Kauffman

Pharmaceuticals. Mission Hills, Kans. 75. Married, 3 children. Missouri farm boy; Navy WWII; pharmaceutical salesman. Quit after his sales commissions exceeded company president's salary, began peddling ground-up oyster shells as calcium supplement. Founded Marion Laboratories 1950; made fortune reformulating, marketing other firms' new drug ideas. Merger with Dow Chemical 1989 produced public entity Marion Merrell Dow. Recently bought other half Kansas City (baseball) Royals, loves the game. Gives millions to further ghetto kids' education, break poverty psychology. "I'm having fun spending my own money while I'm alive, rather than letting someone else spend it." His stock, etc. worth $725 million.

William Morse Davidson

Guardian Industries Corp. Bloomfield Hills, Mich. 68. Thrice divorced, 2 children. Dabbled as lawyer but found talent rescuing small businesses. Resuscitated uncle's failing windshield business, took over, brought public 1968, private in $500 million LBO 1985. Now number 4 glassmaker: 15% U.S. flat glass market, 8% automotive market; sales near $700 million. Appealing 1989 patent-infringement suit: Company owes $38 million in interest, royalty and technology payments. Dubbed "the raging bull of glassmaking." Owns 57% of the Detroit (basketball) Pistons, 80% of Detroit sports complex, the Palace of Auburn Hills. Net worth estimated at $710 million.

Michael Robert Milken

Junk bonds. Federal Correctional Institute, Dublin, Calif. 45. Married, 3 children. CPA's son; Berkeley, Wharton M.B.A. To Drexel 1969; conceived market for high-risk, high-

yield, "junk" bonds; in 1980s built to $200 billion industry. Helped fund Perelman, Linder, Peltz *(see all)*, etc. Salary, bonus $550 million for 1987 alone. Squealed on by Ivan Boesky for numerous securities violations. Pleaded guilty to 6 felony counts (conspiracy, fraud, etc.). Currently doing 10 years Dublin, Calif.; paid $600 million in fines. Government dropped charges against brother Lowell *(which see)*. Mike at first thought involved in some 60 Drexel partnerships, now estimated 600-plus. Making about 30 cents an hour at prison labor, to add to net worth estimated over $700 million.

Robert Henry Dedman Sr.

Country clubs. Dallas. 65. Married; 2 children. Rison, Ark. native, raised poor but says he earned 3 degrees (economics, engineering, law) in 4 years, while also selling insurance and real estate and serving as commissioned Navy officer. Attorney for H.L. Hunt. Opened first club—Brookhaven Country Club—as sideline, 1957. Proved profitable; added more clubs. Started developing city clubs 1965. Now Club Corp. International, over 400,000 members scattered over 250 clubs; revenues over $1 billion. Acquisition-hungry, bought some 40 clubs 1990. Plans expansion in Europe and Asia. Is staggering Soviet Union ready for him? With 92% stake, worth around $700 million.

Frederick W. (Ted) Field Marshall Field V

Half-brothers. Inheritance, media. Original Marshall Field started as Chicago store clerk; saved money, went into dry goods 1865. Built Marshall Field & Co. into world's largest department store, Chicago landmark; left all in trust to 2 grandsons. Grandson Marshall III sold some of store 1941; started Chicago Sun, added Times 1947. Field Enterprises inherited by Marshall IV (d. 1965, age 49). Marshall V (Harvard) Sun Times and Chicago Daily News publisher age 28; later ran TV, cable. Conflict with incompatible half-brother Ted ended in liquidation 1984. Marshall: Lake Forest, Ill. 50. Divorced, remarried; 4 children. Bought Ted's share of real estate firm Cabot, Cabot & Forbes; later bought Pioneer Press (suburban newspapers), sold at profit to Sun Times 1989. Also sold Funk & Wagnalls, other media units in March. Still owns Muzak, Asset Management. Ted: Beverly Hills. 39. Divorced twice, remarried; 5 daughters. Raised in Chicago and Alaska by mother (editor Christian Science Monitor). Played with race cars; now produces movies via Interscope *(Outrageous Fortune, Three Men and a Baby, Bill and Ted's Excellent Adventure)*. Easily gets outside capital for investments. (Bought Panavision for $20 million 1985, realized $90 million 1987; capital for Interscope from Disney and Nomura.) Also trades commodities, develops real estate. Marshall, around $450 million; Ted, estimated $700 million.

James LeVoy Sorenson

Medical devices. Salt Lake City. 70. Married, 8 children. Considered medical school; instead, Mormon missionary work 1942. Then salesman for Upjohn. Staked uranium claims, big profits 1950s: "Look at your environment and see how you can get control of it." With another look saw unnecessary hospital deaths, developed innovative medical devices (disposable catheters, etc.): "I am always trying to fulfill a market need somewhere." Sorenson Research turned out a series of patents; sold to Abbott Labs 1980. "Entrepreneurs are just glorified gamblers, it's just a matter of where you are placing your bets." If Abbott shares still held, lately would be worth $700 million.

James Martin Moran

Toyotas. Hillsboro Beach, Fla. 73. Widowed, remarried; 3 children, all in business. Pumped gas full time for 25 cents/hour, age 14. Saved, bought own gas station, used car dealership, then Hudson franchise. Switched to Ford. Got into TV advertising early. Became his own spokesman—"the Courtesy Man," local Chicago idol outdrawing Ed Sullivan. Cancer diagnosis 1966, went to Florida. Remission. Acquired state's Toyota distributorship 1968. Built it up to world's largest independent: some 150,000 cars a year. Currently facing some 12 lawsuits from former dealers claiming fraud, extortion, racketeering. Has been prosecuted in past for tax evasion. Net worth believed at least $700 million.

Leon Hess

Amerada Hess. NYC and Deal, N.J. 77. Married, 3 children. Father came to U.S. from Lithuania 1904. In 1933 Leon bailed out father's ailing coal and gas retail business by delivering fuel to homes in his 1929 Dodge truck. Rebuilt truck fleet with heaters to deliver thick residual oil in liquid form. Moved into drilling, refining, other retailing. Went public 1962 via merger, became Hess Oil & Co., then teamed with Amerada Corp. 1969 to expand fuel exploration ventures. Testified before Senate on oil prices in relation to Persian Gulf crisis: "There is not a supply problem with crude oil." Son John, vice president, next in line for company top spot. Leon also sole owner of football's New York Jets. Worth at least $690 million.

Armas Clifford (Mike) Markkula Jr.

Apple Computer. Woodside, Calif. 49. Married, 2 children. M.S., USC, in electrical engineering. Worked at Hughes Aircraft, Fairchild Semiconductor, Intel. Backed Apple startup by Steven Jobs *(which see)*, Stephen Wozniak. Chairman 1977, CEO 1981; replaced by John Sculley of PepsiCo 1983; currently vice chairman. Founded Echelon 1985, designs low-cost control and communications computer networks. Also in charter airplane services: ACM Aviation (chairman), San Jose Jet Center (director). "Mike," other Apple officer hit with "stock fraud" judgment for alleged 1983 misstatements about new disk drive that could be up to $100 million; Apple to appeal. His stock, other assets over $675 million, prejudgment.

Ralph Lauren

Fashion design. NYC. 52. Married, 3 children. Born in Bronx, son of Russian immigrant. High school ambition: be millionaire. Some college;

clerked at Alexander's, Brooks Brothers. As fashion designer, sparked wide necktie fad late 1960s. Started Polo, Inc. 1967 with $50,000; near bankruptcy 1972. Rescued by trend to preppie clothes. Led U.S. designers into retailing on large scale. Grossed over $3 billion 1991 (much of it licensed goods). With 90% Polo, etc., believed worth over $675 million. "I remember going out West, every collar was big, and the shirts were flowered, and they were polyester. I said, where are the shirts that Randolph Scott wore? . . . I don't design sleeves and jackets. I design a world."

Carl Celian Icahn

Finance. Bedford, N.Y. 55. Married, 2 children. Grew up middle class in NYC's Queens; mother taught school, lawyer father (frustrated opera singer) read Schopenhauer to Carl. Princeton scholarship, studied philosophy. Stuck out medical school 2 years. After Army, finally found Wall St.; had to sell convertible after 1962 market crash. Borrowed to buy NYSE seat 1968; bought into firms, forced managers to improve, buy him out or spin off. First takeover bid Tappan 1977. Bought ACF 1984, TWA 1988; both housed huge holdings USX, Texaco. Major Texaco profit 1989. But TWA: labor woe, big losses, bankruptcy threats have cut into equity. Sold USX stake last May for $1.02 billion but billionaire no longer: maybe $660 million.

Andrew Jerrold Perenchio

TV, films. Bel Air, Calif. 60. Twice divorced, 3 children. Son of Fresno vintner, catered frat parties to pay for UCLA. Joined MCA 1958; founded talent agency 1963: landed Liz Taylor, Marlon Brando, Jane Fonda; promoted Ali-Frazier fight, etc.; also LA pay TV. Joined Norman Lear 1974 to create *All in the Family, The Jeffersons,* Embassy Pictures. All sold 1985 to Coca-Cola for $485 million, bought Loews theaters for $160 million. Sold 1986 for reported $300 million. With Charles Dolan, Robert Bass, bid for Time 1989; lost to Warner. Co-owns, with Zanucks, producer of *Driving Miss Daisy.* Paid $13.6 million for Kirkeby estate, home of *Beverly Hill-*

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billies, also $9 million for adjoining land. Estimated worth $655 million.

William Michael Cafaro and family

Shopping malls. Hubbard, Ohio. 78. Married, 3 children. Immigrants' son, built first strip center 1954 with brother John (d. 1987). Part of development movement that validated suburban sprawl by constantly building shopping centers, later enclosed malls across country: "Every time we open a mall, I get the same thrill." Currently 7th-largest U.S. mall manager, concentrates on middle market; rarely sells property, uses little debt. Today, "I wouldn't recommend entering this field" without experience, plenty of equity dollars. Son Tony in business. J.J. still paying for crash of his sports car company. Bill, family trusts, now worth about $655 million. "If you make a friend today, you can always make a deal tomorrow."

John D. Hollingsworth

Textile machinery, real estate. Greenville, S.C. 73. Divorced, 1 daughter. From 1942 John and wife Ella (d. 1984) promised service truck within 48 hours of textile mill call, built up John D. Hollingsworth on Wheels. Raised mill productivity tenfold with better yarn making wire, carding machines; ruthlessly protected virtual monopoly on wire—now down to estimated 70% share. Invested profits in land; over $250 million worth near Greenville. Added related machinery from mid-1970s. Has sent truck with bar to trade shows to lure salesmen for drinks, deals. Severe family, IRS problems 1960s; extremely secretive. Once diagnosed paranoid schizophrenic. Has never seen 5 of 6 grandchildren. Estimated fortune $650 million.

Helen Kinney Copley

Publishing. La Jolla, Calif. 68. Divorced, widowed; 1 son. Hunter College dropout answered ad, became secretary to James S. Copley (adopted son of newspaper magnate Col. Ira Copley) 1953. From secretary to confidante: "I'll never know what he saw in me; I was so pathetically shy." Married 1965; gracious hostess until James' death 1973. Then, took over, sold unprofitable papers, slashed payroll, beefed up editorial. Expanded to 12 dailies (770,000 subs.), 47 weeklies (nearly 1 million subs.), percentage of 3 cable TV systems; flagship still San Diego Union/Tribune. Son David, 39, probable successor. James' 2 children from first marriage trust beneficiaries. Copley Press now worth at least $640 million.

Paul Fireman

Reebok. Newton, Mass. 47. Married, 3 children. Family had Massachusetts sporting goods business. Came upon British track shoes at trade show 1979. Set up Reebok USA to distribute, bought out supplier 1984. His innovation: fashion athletic shoes for aerobics market—soft leather, hot colors. Unseated Nike as top U.S. sneaker firm 1986, enraged Nike founder Phil Knight *(which see).* Fireman back in second place 2 years later: "There is not the overriding motivation which says we have got to be number one in sales." Nevertheless Reebok, propelled by very successful Pump line, pursuing: 1990 sales, $2.1 billion; Nike's fiscal 1991, $3.3 billion. Shares (some held with wife), stock sales tally $625 million.

Kirk Kerkorian

Should you buy a used company from this man? Almost anytime in the past 40 years, this former Fresno farmboy was buying or selling a company. He spent the past decade adding United Artists to MGM, then selling some or all of MGM, then buying it back, recently unloading it again, maybe for keeps. Maybe. Worth only $133 million in our first, 1982 listing, he has topped $1 billion.

Estée Lauder
Leonard Alan Lauder
Ronald Steven Lauder

Mother, sons. Cosmetics. NYC and the Hamptons. Estée: ageless. Widowed. "I never thought I'd make it big. If I felt I had made it, I would be somewhere nice, like St. Moritz, skiing." Josephine Esther Mentzer born to Czech-Hungarian immigrant parents in Queens. Sold skin creams for chemist uncle, later attached her name to products, haunted department store buyers until she landed orders. Summer resort romance led to marriage to Joseph Lauder (d. 1983). He became administrator and escort; she mingled with rich and beautiful, developed, promoted products. Uncanny sixth sense for fragrances, consumer trends built one of world's largest cosmetics companies: Estée, Clinique, Aramis, and now Origins (natural products, recyclable containers for younger sincere crowd). "I never look at the competition—I don't even know who the competition is: Every day they

have a different president." Estée, founder, longtime soul of company, no longer in day-to-day operations. Leonard: 58. Married, 2 sons. Current chief executive officer, credited with much of company's huge growth. Wife Evelyn vice president; son William, vice president and general manager of Origins, seen as heir apparent. Ronald: 47. Married, 2 daughters. Left managment 1983 for public service: deputy assistant defense secretary (NATO), ambassador to Austria. Ran for mayor of New York City; trounced in primary, spent estimated $350 per vote. Back to Estée; set up investment firm CEDC to fund East Europe ventures; lavished free lipsticks on West Berlin, opened stylish perfumery in Moscow 1989. Three share family firm estimated worth some $1.8 billion.

William Alfred Cook

Medical supplies. Bloomington, Ind. 60. Married, 1 son. Illinois boy, drove cab, Northwestern grad 1953. Worked 5 years in Chicago as hospital supply salesman. Left to form own hypodermic needle company. Hated big city; sold company, packed family into Corvair, moved to Bloomington, 1963. With $1,500, bought soldering iron, blowtorch, plastic tubing, made then-new cardiovascular catheters. Today Cook Group one of largest-volume U.S. catheter producers; also makes pacemakers, syringes, urological supplies. Employee incentives. Also insurance business. Extensive Bloomington real estate. Net worth estimated at $600 million.

Alan C. Ashton
Bruce W. Bastian

Partners. WordPerfect. Orem, Utah. Ashton: 49. Married, 11 children. Bastian: 43. Married, 4 children. Brigham Young U. computer professor Ashton teamed with grad student, band director Bastian to write computer program diagramming BYU band formations; next, word processing program for Data General machines. Program commercially available 1980, free of venture capital. In 1982 IBM PC version appeared with new name: WordPerfect. Very popular: easy to use, added new features not available from competitors. Sales 1990: $452 million—up 61% in year. Little or no debt. Now nearly 3,000 employees. Each owns 49.9% WordPerfect, at current multiples worth estimated $600 million each.

Frank Batten Sr.

Media. Virginia Beach, Va. 64. Married, 3 children. Nephew of Samuel Slover, who arrived Virginia 1900. Samuel raised nephew Frank: Harvard M.B.A.; publisher 1954. Inherited. Aggressively built Landmark Communications from 1 paper (flagship now Virginian-Pilot/Ledger-Star). First cable franchise 1964; now over 625,000 subscribers; also 9 dailies, 32 weekly shoppers, 4 triweeklies, etc.—total circulation over 550,000. Plus TV station, 2 radio stations, Weather Channel (now very profitable). His 35% Landmark now estimated at least $600 million. "I thought you guys would stop publishing that list."

Fred A. Lennon

Valves, pipe fittings. 85. Chagrin Falls, Ohio. Married, 2 children. Started with customer service at IBM; salesman for office machine company, then Weldon Tool; both Cleveland. Met Cullen Crawford, designer of innovative high-pressure pipe fitting "Swagelok." Became partners. Started Crawford Fitting Co. 1947. Lennon was marketer, Crawford production. "Bought out Crawford for next to nothing." Expanded in mid-1950s, added companies: Cajon Co., Nupro, etc. Recognized as premier manufacturer of high-pressure fittings. Much government contracting, sometimes sole source. Secretive to an extreme. Depending on margins, his company could be worth as little as $600 million.

Jack Rudin
Lewis Rudin

Brothers. Real estate. NYC. Jack: 67. Widowed, 3 children. Lew: 64. Twice divorced, 2 children. Father and uncles founded Rudin Management 1924 to manage Bronx, Manhattan tenements. Sons joined firm 1946. Family philosophy: never sell (still own family's first building, bought 1902). Today 3,300 apartments, about 7 million square feet prime Manhattan office space, most built pre-1972. Believed relatively little debt, very profitable. Brothers big NYC boosters, led tax prepayment drive to keep city afloat late 1970s: "We had to do something. We couldn't very well pick up our buildings and move them across the George Washington Bridge." Lew founded Association for a Better New York; Jack heads NYC Marathon committee. Brothers' fortune estimate down $300 million from 1990, to $1.2 billion or more.

A. Alfred Taubman

Shopping centers. Bloomfield Hills, Mich. 66. Divorced, remarried (to former Miss Israel); 3 children. Son of Detroit custom home builder; U. of Michigan dropout. Got $5,000 loan 1950; developed shopping center 1953, built more. Large regional malls 1960s; perfectionist with stringent leases, store design demands: "If they don't like it, they don't have to rent with us." Now 22 malls. Made $150 million Irvine Ranch buyout 1977-83; white knight Sotheby's 1983. Bought department stores 1984, 1986. Owns 800 Detroit apts.; etc. Anchor stores' share in malls appears greater than formerly thought; in real estate recession, estimate revised to over $600 million.

George Phydias Mitchell

Oil, real estate. Houston. 72. Married, 10 children. B.S. Texas A&M. Son of a Greek goatherd and railroad worker; family name, Paraskivopoulis, changed by railroad timekeeper who couldn't pronounce it. George became geologist, with brother Johnny made it big postwar in oil syndicate; eventually bought out most partners, renamed Mitchell Energy & Development when company went public 1972. Today U.S.' 13th-biggest producer natural gas liquids. Also land development: real estate operating revenues up 12% fiscal 1991, to $98.8 million. "When real estate turns around, we'll have 30 years of an

income stream." Stock market more cautious, but Mitchell's 63% Mitchell Energy, other assets worth over $600 million.

Nelson Peltz
Peter May

LBOs. Peltz: Palm Beach, Fla. Divorced, remarried; 6 children. 49. May: NYC; Bridgeport, Conn.; Palm Beach, Fla. Married, 2 children. 48. Peltz Wharton dropout, built up family food distribution business, sold 1978 for $8 million profit. May: M.B.A., U. of Chicago. Started with Peat Marwick as CPA 1965, joined Peltz 1972. Through friend Saul Steinberg, met Mike Milken 1979, promptly built empire with junk debt: bought control Triangle Industries 1983, National Can 1985 (Victor Posner bailout), American Can Packaging and Uniroyal chemical operation 1986. Lots of internal expansion, bolstering rather than stripping firms; total sales $4 billion, highly leveraged. Peltz reportedly "bon vivant," May the bean counter: "We complement each other very well." Sold Triangle 1988 to Pechiney S.A. (France) for notes bearing 10% annual interest, bought back nonpackaging entities, including large real estate assets like Hollywood Inc. in Fla. Recently unloaded partial control of Britain's Mountleigh Group Plc.: took bath. May: "I'd just as soon not be on [your] list, but it's always frustrating to look and say, 'Gee, I'm worth a lot more than that.' " Hanging in there: Peltz net worth now estimated $600 million, receiving $13.8 million/quarter interest; May $300 million ($7 million/quarter interest).

William Clay Ford and family
Josephine Clay Ford and family

Brother and sister. Only surviving grandchildren of Ford Motor Co. founder Henry Ford (d. 1947). Their brother Henry II (d. 1987) named director third year at Yale, never graduated. Called out of Navy on father Edsel's death 1943; took over ailing giant 1945, began phenomenal turnaround of car empire. Remained chairman until 1980 amid lively personal life. Son Edsel II named president of Ford's finance subsidiary this spring. Good chance for advancement: Ford family has 40% of voting power. William: 66. Grosse Pointe Shores, Mich. Married to Martha Firestone, 4 children. Friendly, laidback, has not held operating slot since mid-50s. Supports management but wants more power for Edsel and son William Jr., 34, an executive director, who also has lofty ambitions. William Sr. owns Detroit (football) Lions; net worth, mostly from Ford stock, exceeds $600 million. Josephine (Dodie): 68. Grosse Pointe Farms, Mich. Married to Walter Buhl Ford (no blood connection), 4 children. Worth, with substantial art assemblage, above $340 million. Other family members have over $360 million more in stock.

Roger Sinnott

Michael Milken (right) with brother and partner Lowell

As Michael built his junk bond empire at Drexel Burnham, he had a right-hand man he could trust like a brother. To further induce Mike Milken, 45, to plea bargain, the authorities promised to drop all charges against Lowell, 42. Michael is serving ten years. Both their fortunes are still threatened by civil suits and legal bills.

Albert Lee Ueltschi

FlightSafety International. Irving, Tex. 74. Widowed, 4 children. Raised on Kentucky farm, learned to fly at nearby airfield. By 16, gave lessons, did air shows. Worked for Pan Am WWII, founded FlightSafety 1951 to train pilots for new corporate planes. Had to mortgage home to build first simulator. "Even though I started the company in '51, I continued to fly until '68 because I couldn't make enough money to send four kids to college." But safe, fast, relatively cheap classes with no crashes told tale: In 40th year, 36 facilities yearly train over 34,000. Shares recently worth some $590 million. Heads Project Orbis: nonprofit group helps world's blind. "You can't do everything, but you can have a lot of fun doing something."

Maurice (Hank) Greenberg
Mansfield Freeman
Ernest E. Stempel ★

American International Group. NYC. Company founded Shanghai 1919 by C.V. Starr (d. 1968), first Westerner to sell insurance to Chinese. Built international conglomerate; no heirs. Large block AIG, investments in private holding companies, controlled

by key executives: inheritance by management. Today largest commercial underwriter, looking to increasing opportunities Eastern Europe, Asia: "There's a lot on the stove." Greenberg: 66. Married, 4 children. Raised on New York dairy farm. Lawyer. Chance interview at Continental Insurance Co. went badly; Greenberg went to higher-ups: hired immediately. Moved to C.V. Starr & Co. 1961. Rose quickly, named successor 1968. Went public 1969 as AIG. Tough boss: "You haven't achieved any standing until you have experienced his wrath." Stock and other investments worth more than $585 million. Freeman: Greensboro, Vt. 96. Widowed, 1 son. Joined Starr in China early 1920; returned U.S. 1941, retired with healthy load of shares 1960. Son Houghton, vice chairman, 70, votes shares but stock in Freeman's name, recently worth some $425 million. Ernest E. Stempel: Hamilton, Bermuda. 75. Married, 4 children. Joined C.V. Starr as clerk 1938, then only 23 employees. Used stock options, incentive systems to accumulate shares. Stock today worth some $325 million.

Gordon Earle Moore

Intel. Santa Clara County, Calif. 62. Married, 2 children. U. of Calif.; Caltech Ph.D. chemistry and physics 1954. Cofounded Fairchild Semiconductor; with Robert Noyce, started Intel 1968, which invented microprocessor 1971. Dazzled world with dynamic RAM memory chip, went on from there. Currently world's leading manufacturer of microprocessors. In 1965 predicted power of chips would double about every 18 months; so accurate became known as Moore's Law. Moore's comment on prognosticating ability: says in Seventies he thought only use for a personal computer was to index his wife's recipes. Yet thanks to scrupulously observing Moore's Law, his Intel stock now worth over $585 million.

Shelby Cullom Davis

Investment banking. Tarrytown, N.Y. 82. Married, 2 children. Graduated Princeton 1930, Columbia 1931, Ph.D. political science U. of Geneva 1934. CBS' Swiss correspondent before WWII; N.Y. deputy superintendent of insurance 1945: "I got to know who were the bluffers and who were really professionals." With $100,000, founded investment firm Shelby Cullom Davis & Co. 1947, one of first to specialize in insurance stocks; remains chairman: "I'm an equity man. Stocks ride through inflation a lot better than bonds." Devout Republican, ambassador to Switzerland 1969-75. Heavy Princeton donor, supports National Right to Work, chairman Heritage Foundation; intends to leave "high portion" of estate to Heritage: "I can't imagine a better place." Firm, other investments worth some $580 million.

Roger Milliken
Gerrish Milliken
Anne Franchetti
Minot Milliken
and families

Siblings and cousin. Textiles, investments. Heirs of Seth Milliken, cofounder dry goods jobber Deering, Milliken & Co. 1865. With William Deering (later left to start what became International Harvester) Milliken built company debt free, liquid. Bought less-liquid supplier mills in Depression bankruptcies. Grandson Roger: Spartanburg, S.C. 75. Married, 5 children. Currently heads Milliken & Co., largest privately owned U.S. textile firm; sales estimated over $2.5 billion; good margins. Stresses research and development spending. Keeps company details close to vest. "He makes a clam seem like an open mouth." Gerrish: Greenwich, Conn. 74. Married; 4 sons, 2 daughters. Started in cotton mill in Union, S.C. after Army. Retired 1986 but has office in NYC. Director Milliken & Co. and Mercantile Stores Co., both controlled by family. Minot: NYC. 75. Married; 4 sons, 1 daughter. Vice president, director Milliken & Co.; on board of Mercantile Stores. Anne: in her 70s. Very private. Seal Cove, Maine. Has carried gun against possible terrorist attack. Heirs of other Milliken sibling, the late Jane Stroud, ignited ire of Roger by selling some 500 shares of Milliken & Co. to competitor Delta Woodside Industries 1989: sought to force financial information out of secretive Roger. Small amount of company stock belongs to heirs of late Francis Kingsley, one of Roger's best friends. Estimated fortunes with families: Roger, $570 million; Gerrish, $325 million; Minot, $325 million; Anne, $325 million; Strouds, $325 million.

Henry Earl Singleton

Teledyne. LA. 74. Married, 5 children. Son of Texas rancher; after Annapolis, MIT, never veered from calling: big business. Worked for Hughes Aircraft, then Litton Industries, where he met George Kozmetsky. Duo started Teledyne with $450,000 investment 1960s; financed by Arthur Rock. Early, successful conglomerator. Now over 100 companies in aviation, electronics, etc. Major spinoffs: Argonaut Group (insurance), American Ecology (environmental cleanup), Unitrin (insurance) 1990. Master of large-scale divestiture and stock buybacks, has "legendary ability to spot undervalued investments." Retired abruptly from day-to-day management 1989; still chairman of board's executive committee. His Teledyne, other stock, worth some $565 million.

George L. Lindemann

Cable TV, cellular phones. Greenwich, Conn.; West Palm Beach, Fla. 55. Married, 3 children. Born New York City, while at Wharton joined family cosmetics business 1957. Urged father to get into pharmaceuticals, began company which later developed first contact lens; sold out to Cooper Laboratories 1971 for $60 million. Founded cable business soon after ("I owned a TV set"), sold for $220 million 1982. Started cellular firm, Metro Mobile CTS, same year; built to one of biggest independents. His shares, etc. worth estimated $560 million before merger with Bell Atlantic announced late September. "If you look to the future and you're willing to bet on your brain, you'll be there on time. I've never been in a business where anybody understood what I was doing, and by the time they understood I think I had left."

John Murdoch Harbert III

Construction, investments. Birmingham, Ala. 70. Married, 3 children. Won $6,000 from craps game on ship home from WWII, bought concrete mixer, entered construction. Went virtually broke 3 times in 20 years. "Someone who sold us $50 worth of pencils could have, if he desired, forced us into involuntary bankruptcy." Grew slowly. But from 1964 steered toward high-risk, high-profit overseas ventures, e.g., pipeline in S. America, sewer system in Abu Dhabi mid-1970s. Snapped up Ky. and Tenn. coal lands with huge reserves. Late in energy crisis (1981) flipped to Standard Oil of Indiana for $400 million, including 10 million Amoco shares now worth over $500 million. Publicity-shy gambler's 76% Harbert Corp. estimated $560 million.

Richard Mellon Scaife

Inheritance, publishing. Shadyside, Pa. 59. Divorced, remarried; 2 children. Great-grandson of Judge Thomas Mellon *(see other Mellons, Curriers)*. Through Scaife Newspapers, actively runs smallish papers reflecting conservative ideology. Media empire dwindling: Sold 2 papers to Thomson Group 1985; Sacramento Union to local developers 1989. Dislikes publicity, refuses to use middle name (thought father Alan Scaife treated poorly by Mellons). Most prominent Mellon of his generation. Estranged from sister Cordelia Scaife May *(which see)*. Generous contributor to conservative leaders, think tanks. Net worth estimated $550 million, depending on recent divorce settlement.

Erskine Bronson Ingram

Barges; distribution. Nashville. 59. Married, 4 children. After father's death 1962, took over Ingram Corp., an oil refining, marketing and barge company, with brother Fritz. Entered book distribution at urging of family friend 1964; found new business metier. Family split firm 1978 after chairman Fritz convicted for bribery (sentence commuted by President Carter 1981). Bronson acquitted. Steadily added barge, coal, oil, wellhead equipment; has built up his Ingram Industries to over $2.7 billion revenues (over 80% from distribution books, videos, computer hardware and software). "We always had more things to do with our money than we have money to do them." Estimated worth over $550 million.

John G. Rangos Sr.

Waste management. Pittsburgh. 62. Divorced, 3 children. Son of Greek restaurant owner, began building landfills for utilities 1960s. In 1969 he and partner bought Chambers Development, partner sold out soon after. Rangos and sons John Jr. and Alexander acquired more trash companies, municipal contracts, but especially landfill space—realized this would be the industry's scarce resource. Company now one of largest waste disposal companies in nation (1990 revenues $258 million). Growing fast, company expects sales to top $300 million in 1991. According to Rangos, the secret is tight management. Took company public 1985; Wall Street put him on this list: His shares recently worth $545 million.

John Jeffery Louis

Inheritance. Winnetka, Ill. 66. Married, 3 children. First cousin of Samuel Johnson of Johnson Wax *(see also S.C. Johnson)*. Worked in dad's advertising agency, then in international marketing for Johnson Wax. Chairman of Combined Communications 1968; stepped down 1981 after merger with Gannett. Full plate of other investments: director S.C. Johnson & Son, Air Wisconsin, Baxter International, Ralston Purina, Gannett. Strong Republican supporter, ambassador to Britain for Reagan; resigned 1983 reportedly under pressure. Golfer, amateur flier, philanthropist. With family 30% S.C. Johnson & Son interest, other holdings, believed worth $545 million.

Cordelia Scaife May

Inheritance. Ligonier, Pa. 63. Divorced, widowed; no children. Great-granddaughter of Judge Thomas Mellon *(see Mellons, Curriers, Scaife)*. Brief marriage to Herbert May 1950. Wed longtime friend Robert Duggan 1973, Pittsburgh D.A.; he died of gunshot wound during corruption investigation 1974. Brother Richard Mellon Scaife has not spoken to her since. Endowed Laurel Foundation to support education, population control, other liberal causes. Maintained family tradition (Mellon fortune built on 19th-century venture capital) in small way, funded emerging companies through Roldiva, Inc., named after favorite steeplechaser. Lives modestly, privately. Wealth (mainly in trusts) believed at least $525 milllion.

James Howard Marshall II

Oil. Houston. 86. Divorced, remarried; 2 sons from first marriage. Born Germantown, Pa. Yale Law School 1931 (magna cum laude, assistant dean age 28). Worked on WWII government petroleum board, then executive posts with Signal Oil, Ashland Oil. Wrote law against "hot oil" (oil produced above levels set by Texas Railroad Commission). Invested in

Saul Steinberg and wife Gayfryd

He thought he was in the establishment, until his failed 1969 run at Chemical Bank. In the 1980s he tried to join: He and Gayfryd occupy a former Rockefeller residence, collect Old Masters. She patronized PEN, the writers' group, but was turned upon by petty scribes.

Great Northern Oil Co. with friend Fred Koch, father of present Kochs *(which see)*. Eventually swapped stock for interest in Koch Industries. Calls net worth estimate a "pure fantastic calculation." But Kansas state documents nonfantastic: His nearly 15% ownership of Koch Industries estimated worth at least $525 million.

John Orin Edson

Leisure craft. Seattle. 59. Married, 2 children. Founded Bayliner (powerboats) 1955. Company sped past rest of boating competitors; sales, profits doubled in each of last 3 years before sale to Brunswick late 1986. Basic manufacturing tack: simplify production, lower per-unit cost by making single product in great quantity, and attract buyers with subsequently lower prices. Edson, made wealthy by Brunswick buyout, conservatively invested proceeds. He and wife now travel extensively. Maintains 105-foot yacht; building a 160-foot fiberglass yacht; owns and pilots several planes; he, wife fly his-and-hers helicopters. Net worth estimated $525 million.

Caroline Rose Hunt

Inheritance; oil, real estate. Dallas. 68. Twice divorced, 5 children. Second daughter of H.L. Hunt. With sister Margaret *(which see)*, separated assets 1983 from brothers William Herbert, Lamar and Nelson Bunker, who failed to corner silver market. Diversified her Rosewood Corp. into real estate. Owns Dallas' Mansion at Turtle Creek, Crescent Court office complex, estimated 1,000-plus acres; manages London hotel. Sold much domestic oil production for estimated $275 million. Separate Dutch North Sea operation still profitable. Lost over $90 million in Milken-cursed First Executive S&L. Recently restructured defaulted Citicorp note. Sons run business while Caroline looks after antiques. Might be worth some $525 million.

James McGlothlin and family

Coal. Bristol, Tenn. 51. Divorced, remarried; 1 daughter, 6 stepchildren. College, law school at William & Mary. Lawyer, ran small restaurant business. Founded United Coal Co. 1970 as surface mine with 11 employees; added mines during energy crisis. Now one of lowest-cost U.S. producers, secret is nonunion contract labor. Reserves almost all low sulfur. Survived 1980s price fall with lucrative long-term contracts from utilities, steel companies; also diversified into oil, gas, financial services, now almost 50% of revenues. Shares company with father, cousin. Likes golf, basketball; disconcerting practical joker: "Life doesn't have to be dull just because you're president of a company." Estimated worth some $515 million.

Roy Hampton Park

Media. Ithaca, N.Y. 81. Married, 2 children. Born on North Carolina farm, entered N.C. State at 15. AP stringer for $18/week, ran college paper. Launched Ithaca ad agency 1942. Landed Thomas Dewey ad campaign: "If he'd won, I'd be a happy retired bureaucrat." Cofounded Duncan Hines 1947; sold to Procter & Gamble for stock 1956. Acquired first TV station 1962, built up Park Communications; now 7 TV, 20 radio; also 140 small rural dailies, weeklies, etc. Owns about 2,000 acres Florida orange groves; commercial real estate; ConAgra stock. Wears gold watch on each wrist; wife raises peacocks. Ithaca College named media school for him 1989. Estimated worth at least $515 million.

William A. Dart ★

Dart Container Corp. Sarasota, Fla. 64. Married, 3 children. Became partner in father's steel tape measure manufacturing business, founded Michigan 1937. Began experimenting with plastics 1953. In 1960 pair produced foam cup with own-design equipment, technology. Private Dart Container Corp. now world's leading maker foam cups, 15 plants North America, England; makes own polystyrene resin feedstock; has own truck fleet. Continuous and active family management; W.A.'s son Kenneth president, son Robert vice president. Son Thomas runs family's Dart Energy, oil and gas concern. Made recent purchase 6.5 million Freddie Mac shares. Stock, other assets worth estimated $500 million.

Dennis Washington

Mining, railroads, etc. Missoula, Mont.; Sun Valley, Idaho. 57. Married, 2 sons. Heavy-crane operator in Alaska, then back in Montana (loved big machines). Got $30,000 business loan and got married, age 30. Built to Montana's largest contractor. Noticed assets of unaggressive big companies. Bought closed Anaconda copper mine for $20 million 1985 from Arco, copper prices surged; 1989 sold nearly half for $125 million. Bought rail system from Burlington Northern 1987, renamed Montana Rail Link, profits now estimated over $33 million a year pretax. Owns about 55,000 acres in Montana, horses, yacht, airplane. This year bought 64,000-acre Oregon commune with hotel, jet strip, bomb shelter, formerly owned by Indian guru Bhagwan Shree Rajneesh. Net worth at least $500 million. "What makes a superstar is luck."

Laszlo Nandor Tauber

Real estate. Potomac, Md. 76. Divorced, remarried; 2 children. Born Budapest; champion gymnast, medical school. Escaped Nazi labor camps on second try: "I just walked away one day." To U.S. 1947, set up medical practice. Dreamed of building own hospital, surgeon's income not enough; built apartment project on $9,500 lot. Switched to offices, primarily for U.S. government, at initial low rent to win bid; raised on re-lease. Eventually, Uncle Sam's biggest landlord. "We don't want to take chances." Built Jefferson Hospital in Alexandria, Va. Still full-time surgeon but may be retiring this year to write surgery texts. Real estate, etc. estimated worth over $500 million, net. "I've been so lucky, I am wrong to complain."

Delford Michael Smith ★

Air carriers. McMinnville, Ore. 60. Divorced, 2 sons. Orphaned, raised by adoptive mother. "I always worked." As boy, 3 newspaper routes. Worked

his way through U. of Washington (1953); Air Force 1953-56. Started forerunner to Evergreen International Aviation 1960, bought 2 helicopters on credit; fleet now 100 helicopters, small aircraft, dozens of heavy-transport airplanes, including 727s, 747s, DC-8s, DC-9s. At first, tree seeding, spraying. Then missions for government around world. Rapid growth. Rumors say CIA. Smith: "We are opportunists." Recently, agreements to carry cargo to Saudi Arabia, make regular cargo stops in eastern Siberia. Net worth estimated at least $500 million.

William Gordon Bennett
William Norman Pennington

Partners. Circus Circus. Bennett: Las Vegas. 66. Pennington: Reno. 68. Both married, each 2 children. Bennett, a Del Webb representative, bought gaming equipment from Pennington, who recalled start of magical relationship: "We both liked flying, we were about the same age, and we both liked everything each other liked." Joined forces 1971 to distribute slot machines, hoped to use profits to buy casino. Bought Circus Circus, casino with live circus acts, 1974. Broke with competitors: targeted middle-class family market with inexpensive rooms, food. Pennington: "We cater to middle America. We don't want high rollers." Middle class plays lots of slots: now 7 casinos, including castle-theme Excalibur, the largest hotel ever built (4,032 rooms). Pennington, retired 3 years, still confers with partner: "I'm just enjoying the devil out of things." Bennett's stock, other assets worth $500 million; Pennington's worth an estimated $400 million.

John Lee Cox

Oil. Midland, Tex. 66. Married; 1 son, 1 daughter. Grew up in West Texas; father worked for oil company. Graduated Rice U.; started as petroleum engineer 1946; struck out on own 1952; major early partner Joseph Gruss *(which see)*. Known as "Sprayberry King" because he built fortune on interest in over 1,000 wells in West Texas' Sprayberry Trend. Cox currently operates some 800 wells there and in southern Texas, New Mexico, Oklahoma, Rockies. "The recession hasn't affected my business that much, but it's kept me from expanding. If oil and gas prices were [higher], I'd drill 200 wells," not 75. Golf, Dallas Cowboys fan. Tex Moncrief *(which see)*: "John is what we call a man's man." Net worth estimated well over $500 million.

William Russell Kelly

Kelly Services, Inc. Troy, Mich. 85. Married, 1 son. Born British Columbia; father, oil pioneer, died 1928 leaving no estate, 7 children. Dropped out of U. of Pittsburgh. Car salesman. Stint as accountant. Fiscal manager for Army WWII. Hit on idea: postwar, office business machinery burgeoned; trained operators needed. Opened Russell Kelly Office Services, Detroit 1946, sent out "Kelly Girls" with calculating machines. Spread nationwide, took public 1962. Now largest U.S. supplier temps, over 575,000 employed last year; 950 offices worldwide. Because of recession, smaller profits, company not expand-

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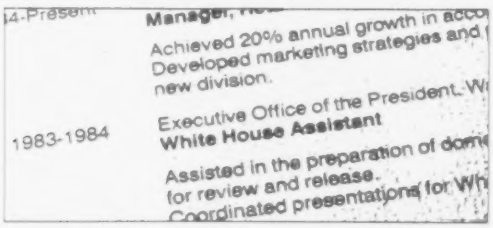

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ing as usual. Terence Adderley, adopted son, president and chief executive officer, has $136 million worth of stock. Kelly worth at least $500 million.

Patrick Joseph McGovern

Publishing. Nashua, N.H. 54. Divorced, remarried; 4 children. Built computer from scratch as teenager; won MIT scholarship, worked on MIT computer magazine, launched International Data Group 1964—flagship publication Computerworld. Now more than 150 newspapers and magazines in 50 countries, including U.S.S.R.; also related information services. Slowly selling stock to employee trust (more than 30% so far) "to build a total, common family." Believes in letting employees have autonomy: "If you have the right people, all you have to do is meet once a year and say, 'How did it go?' " Lives modestly, flies coach. Recessional results down, but worth estimated at $500 million.

William Ingraham Koch
Fredrick Robinson Koch

Brothers. Energy services. Two of 4 sons of Fred Koch (d. 1967), founder Koch Industries, now $17-billion-plus oil industry giant. Bill: Palm Beach. 51. Married, 1 child. Fred: Monaco, NYC. 57. Single. Family split 1981; brothers Charles, David *(see both)* controlled company. Bill claimed mismanagement, poverty. "I'm one of the wealthiest men in America and I had to borrow money to buy a house." Brother Fred, big donator to arts, joined Bill's fight; buyout settled feud 1983. Bill founded Oxbow Corp., mixed bag of businesses—energy trading company, real estate, geothermal electric plants, New England Business magazine, leased office space. Sales estimated near $1 billion. Worth $500 million or more? Spokesman: "You're way low." Recently spends much of time sailing, preparing to defend America's Cup spring 1992. Fred: Harvard, then Yale drama school. Reclusive art collector, restorer. "The guy just isn't into business." Believed worth at least $500 million.

Meyer Lansky, little old mobster

The mobsters' mobster, he was among the last survivors of the Capone days. Reputed to control an international web of mob enterprises worth billions, he lived modestly in Florida, and was buried in 1983 in a plain pine box.

Amos Barr Hostetter Jr.

Continental Cablevision, Inc. Boston. 54. Married, 2 daughters. Son of stockbroker from Short Hills, N.J. Harvard M.B.A.; stint in utility finance. "Bud" started cable company with frat brother H. Irving Grousbeck 1963. Each put up $4,000 (as did Bud's father). Acquired and built franchises. Dow Jones took 17% stake. Acquisition-hungry: Bought McClatchy *(see family)* cable company 1986, American Cable Systems 1988. Now over 2.7 million subscribers. Bought out Dow Jones for $300 million 1989. Grousbeck left to teach 1981, still owns 10%. After debt, company believed worth $1.2 billion. Hostetter 43%: over $500 million.

Neil Gary Bluhm
Judd David Malkin

Partners. Real estate. Winnetka, Chicago, Ill. Both 53; married; 3 children each. Childhood buddies from blue-collar section of Chicago's North Side; college roommates U. of Illinois. Both CPAs; Malkin had Toyota dealership and dragged lawyer Bluhm into real estate syndicate 1968. Judd: "I had to twist his arm to leave." JMB Realty Corp. careful user of leverage, among first to syndicate with huge pension funds, other institutional investors. Big bucks: Built up to control over $24 billion real estate assets 1990; many for own account. Neil: "We do lots of things besides syndication." Bought Disney's Arvida Development Corp. for $400 million 1987; Canada's Cadillac Fairview for $2 billion 1987; Amfac (one of largest Hawaiian landholders) 1988; sold CyberTel recently for nice profit. Also real estate in London, Houston, Chicago, California. Pair's interest JMB, given fuller list of assets, suggests net worth now near $500 million each amid real estate recession. "A lot of developers are high profile. They can have the glory; we'll take the cash flow."

Charles Henry Dyson

Conglomerator. NYC. 82. Widowed, 4 children; 1 son in business. Price Waterhouse CPA, decorated WWII colonel; represented Treasury Department at Bretton Woods 1944; left Textron VP post 1949, felt it was diversifying too slowly. Launched Dyson-Kissner (now Dyson-Kissner-Moran) with former colleague Franklin Kissner. Built conglomerate DKM, which has acquired well over 30 companies last 7 years alone. Interests in public companies (Varlen Corp., Esterline Tech., etc.), private companies with sales over $1 billion. Extensive real estate, developing actively, also some oil and gas. With family, owns some 91% DKM; estimated more than $500 million.

Robert Staples Howard

Howard Publications. Rancho Santa Fe, Calif. 67. Married, 4 children. U. of Minnesota dropout. After WWII inherited hometown (Wheaton, Minn.) paper: "I swept the floors, melted lead, sold ads, wrote stories . . . you name it." Founded Howard Publications 1961; saw possibility of owning more than one newspaper. Built to 18 dailies, nearly 450,000 subscribers; added other media. Unassuming (flagship is northwest Hammond [Ind.] Times) but profitable

chain; minimal debt. In 1988 sold Buffalo TV station to King World for $100 million. Sold 40% stake Choice TV, cable joint venture with Don Reynolds *(which see)*, for $72 million 1989. Now zero cable TV. Despite newspaper industry recession, still believed worth at least $500 million.

John Richard Simplot and family

Potatoes. Boise, Idaho. 82. Divorced, remarried; 4 children. Quit school, left home in 8th grade; invested in hogs age 17, later potato sorter. Capitalized on WWII with vegetable dryer: sold dried onions, potatoes to Army. Ensured fortune when company scientist developed process for freezing cut potatoes 1950s. Now "Mr. Spud" produces nearly 1.5 billion lbs. annually: more than 50% of McDonald's fries. Potato peelings help feed 300,000 cattle; sells fertilizer to contracted potato farmers. Also other frozen vegetables; transport; Micron stock. Sports 55-foot U.S. flag outside home: "I love America. We've got the only system that works—it keeps everyone hustling." Diversified holdings, run by Simplot and family, estimated $500 million.

Jeremy Maurice Jacobs

Sports concessions. East Aurora, N.Y. 51. Married, 6 children. Father founded concession business with brothers 1915 in theaters, baseball parks. Made loans to troubled sports teams for exclusive long-term rights—one comes up for renegotiation 2000. Jerry CEO on father's death 1968: "He created a wealth and discipline that were his needs at the time. I valued his way of life, but . . . I do a lot of things to get away from work." Today, contracts shorter; competition intense in major- and minor-league markets. Delaware North Co. diversifying: 11 dog racing tracks; Boston Garden, Bruins (hockey); aluminum ingot operation. Longs for Japanese baseball concessions. Estimated worth $500 million or more.

Leonard S. Skaggs Jr.

American Stores Co. Salt Lake City. 68. Married, 4 children. Grandfather Samuel started Skaggs Cash Stores in Idaho 1915. Taken over by 6 sons; later became Safeway. Father bought Payless Drug Stores, Utah, 1939. Leonard Jr. took over age 26, at father's death 1950. Partnership with Joe Albertson *(which see)* developed lucrative idea 1969: drug and grocery stores under one roof. Friendly split 1977; Sam built own empire: 1,846 stores in 36 states; 1990 sales, $23 billion. Important acquisitions include Jewel Cos. 1984; Lucky Stores 1988. Known to employees as The Wizard. "He puts in good people and gets rid of all the deadwood." Very private. His shares largest food/drug chain recently worth $495 million.

Bella Wexner

The Limited, Inc. Columbus, Ohio. Mid-70s. Widowed, 2 children. Mother of Leslie Wexner *(which see)*, who founded women's retail clothing chain The Limited. Bella, buyer for the Lazarus stores, married Russian immigrant Harry Wexner, who at 13 worked in tin-can factory. Together opened women's clothing store. Son started own; Bella joined his business after specialized retailing boomed. Harry died 1975. Bella still active, now company secretary; occupies office across from her son: One of largest U.S. specialty, mail-order retailers women's apparel. Leslie: "I regret that my father never lived to see it." Bella's shares of Limited stock recently worth over $490 million.

John Charles Haas
Fritz Otto Haas

Brothers. Rohm & Haas Co. Sons of German-born Otto Haas, who immigrated to U.S. 1901. Went back to Germany 1907, built successful business (partner Otto Rohm stayed in Germany). To U.S. again 1909, opened U.S. office of Rohm & Haas Co.; company's first U.S. product: Oropron for tanners, replaced manure as agent of choice. Added pesticides 1920s, developed Plexiglas 1936. Went public 1949. Rohm's stake sold in offering, Fritz took charge of company after father's death 1960. Ill-fated diversification into fibers (polyester), pharmaceuticals; shrugged off. Today company important producer polymers, plastics, various chemicals. Both now retired. John: Villanova, Pa. 73. Married, 5 children. F. Otto: Ambler, Pa. 76. Married, 3 sons. Passed presidency 1970 to nonfamily executive. The 2 brothers' 21.7 million shares recently worth about $955 million.

Jane Bancroft Cook

Inheritance. Cohasset, Mass.; Sarasota, Fla. 79. Thrice widowed, once divorced; 3 daughters. Last living grandchild of Clarence Barron (d. 1928), who amassed Dow Jones empire (acquired Wall Street Journal, Dow Jones ticker in deal with Charles Dow 1902). Jane once avid sailor, rider; played opposite Humphrey Bogart in summer acting troupe. As director Dow Jones & Co. 1950-85, "a zealous guardian of the journalistic independence of the Journal." Company also publishes Barron's, 23 local newspapers; operates news wires, radio and TV programming; estimated 1991 revenues $1.7 billion. Dow Jones stock fortune split among Jane and two other branches of Barron's dynasty. Jane's third totals some $480 million.

Craig O. McCaw
John Elroy McCaw Jr.
Keith W. McCaw
Bruce R. McCaw

Brothers. McCaw Cellular Communications. Sons of John Elroy McCaw, radio, TV pioneer in Northwest; died 1969, company mired in debt. Family forced to sell all but one cable system. Craig took over while studying at Stanford. Formed partnerships to raise cash for rapid expansion. Sold off cable TV business 1987 for $755 million. Took bet-the-ranch gamble: moved into cellular, created public company—McCaw Cellular Communications—to raise more capital; leveraged into biggest cellular telephone service in nation (1990 revenues, $1 billion). In 1990 acquired LIN Broadcasting, also major cellular carrier. Debt burden huge. Craig: CEO. Bellevue, Wash. 42. Married, no children. Industry genius, envisions a "seamless" national cellular network. John: executive vice president, head

of acquisitions. Seattle. 40. Married, 3 children. Bruce: director. Seattle. 45. Single. Keith: no longer director, still major shareholder. Seattle. 38. Married, 1 child. All involved in company since beginning. Brothers' stock recently worth more than $1.5 billion; Craig's alone, $480 million.

Robert Alfred Lurie

Real estate, inheritance. SF. 62. Divorced, remarried; 6 children. Son of Louis R. Lurie (d. 1972), colorful real estate, entertainment mogul who purchased $1,000 printing firm at age 14 in Pacific Northwest. Went on to build 300 buildings Chicago, SF; produced Broadway hits *(South Pacific, West Side Story)*, movies *(Tarzan)*. Introverted son Robert inherited: conservative caretaker; eschews debt. Dedicated to San Francisco (baseball) Giants, purchased 1976: "It's more interesting and challenging than making real estate deals." Hopes for new SF stadium quashed in community vote 1989; turned to other possible sites; all bets now off. Real estate, Giants estimated $480 million.

Alexander Gus Spanos

Real estate. Stockton, Calif. 68. Married, 4 children. Tough working conditions in father's bakery as a kid: frequently beaten, forbidden to play high school sports. Started catering company 1956 with $800 bank loan; made extra cash selling sandwiches to migrant farm workers. Built first apartments as tax shelter 1960, found good business: A.G. Spanos Construction became land developer, recent sales $307 million, gross profit margin 25%. Owns 80% of San Diego (football) Chargers. Invested with raider Paul Bilzerian and Ed DeBartolo *(which see)* in Singer takeover 1988. Memorable dance routine with golf pal Bob Hope. Net worth estimated perhaps $480 million. Satisfied? "Never. The day I'm satisfied, they can bury me."

Sigfried Weis
Robert Freeman Weis

Cousins. Weis Markets, Inc. Sigfried: Lewisburg, Pa. 75. Robert: Sunbury, Pa. 72. Both Yale graduates; married, 3 children each. Expanded family's Pennsylvania grocery store operation started by grandfather Sigfried as Selins Grove general store 1870; later cash-and-carry store under Sig's and Robert's fathers. Became Weis Markets 1947; Sigfried president, Robert vice president since. Nonunion business now over 100 supermarkets in 5 states, primarily Pa. Earnings increased steadily through 1980s, profitability well above average for the industry. Success due in part to vertical integration—they sell over 1,500 private-label products for own stores. Operate 5 ice cream shops. Also aggressive cost control. Company credo: serving each customer one at a time, as if only customer in store. Company recently made alliance with Sam Walton's *(which see)* Wal-Mart Stores; soon to open stores next to each other in Pennsylvania. Sigfried's stock recently worth nearly $475 million, Robert's worth over $400 million. Robert's sister Ellen has $120 million.

Larry Downing/Woodfin Camp

An Wang and son Fred
An Wang invented early computers' key memory core, and his Wang Labs made him briefly a billionaire. But he put Fred in charge and got squeezed by more versatile PCs. The company was soon in deep trouble, the Wangs off our list. An Wang died in 1990.

Roy Edward Disney

Walt Disney Co. Los Angeles. 61. Married, 4 children. Nephew of Walter Elias Disney (d. 1966), genius cartoonist. Walt cofounded Disney productions with brother Roy O. Disney 1923. Mickey Mouse appeared 1928; rest, history. Walt Disney Co. now theme parks, cartoons, copyrights, movies, Disney Channel, etc. Roy E., son of Roy O., asst. film editor *Dragnet* TV series 1953. Worked in Disney studios 23 years: cameraman, film editor, etc. Independent producer/investor after management dispute 1977. Returned as vice chairman 1984; heads animation dept. Chairman Shamrock Holdings: real estate, media investments, etc. Net worth estimated $470 million. Uncle Walt's heirs also have substantial holdings.

Daniel James Terra

Lawter International. Chicago. 80. Widowed, remarried; 1 son. Father an Italian immigrant lithographer. Graduated Penn State 1931, chemical engineering degree; sang in speakeasies to scrape by during Depression. Unveiled high-speed print process 1936 that could churn out magazines in 24 hours. With $2,500 loan, founded specialty printing ink firm, Lawter Chemicals, 1940. Delegated management 1955; paid off. Today, Lawter pushing innovative nonpollutant ink for graphics industry, which accounts for 70% of Lawter's revenues. Major art collector since wife sparked interest in American pieces 1960. Opened Terra Museum of American Art in Chicago 1988. With stock, art, estimated $470 million.

Reese McIntosh Rowling and family ★

Oil, gas pipelines. Corpus Christi, Tex. 63. Married, 4 children. Worked as geologist at oil companies. Went

off on own, founded Tana Oil & Gas 1972. In early 1980s recession, virtually debt-free; bypassed competition: "drilled lots of wells while other companies were busy paying their bank loans." By 1989 one of largest private independent exploration firms in U.S.; sold oil and gas production unit to Texaco. Took mostly special Texaco preferred stock as payment, avoiding much capital gains tax. Also cash; some sunk into hotels in Corpus Christi. Son and company spokesman Robert believes "Corpus Christi is probably number one in America in unrealized potential." Net worth $465 million.

Richard Allen Smith

General Cinema Corp. Chestnut Hill, Mass. 66. Married, 3 children. Father Philip founded company 1922, opened drive-in theater 1934, built chain; d. 1961. After Harvard, Richard joined 1946. Spearheaded new phenomenon: multiple-screen theaters. GCC spread to 1,488 screens at 314 locations. With excess cash 1968, began buying small soft drink bottlers. Built to nation's largest independent Pepsi-Cola bottler, sold to PepsiCo for $1.77 billion cash ($865 million profit) 1989. GCC also acquired 60% Neiman Marcus Group 1987; interest Cadbury Schweppes 1986, sold 1990. "We've always been driven by the search for value, not the need to build an empire." Philanthropist. His shares recently worth $460 million.

Norman E. Alexander

Sequa Corp. Scarsdale, N.Y. 77. Married, 4 children. Son of South Bronx spats manufacturer. Columbia Law School. Joined family business during Depression, switched to leggings. Soon branched out alone: bought organic-pigment firms starting 1950, merged into Sun Chemical (printing inks) 1957, took control. Acquired Chromalloy American 1986, concentrating in aerospace, machinery, specialty chemicals. Renamed Sequa 1987; recently discontinued transportation, financial services, to focus on high technology (including Trident submarine missile systems). Revenues $2.2 billion 1990. Alexander also owns Ampacet Corp., private plastic resins company; 1990 sales, $200 million. Alexander recently estimated over $455 million.

Henry R. Kravis
George R. Roberts

Partners. Leveraged buyouts. With Jerry Kohlberg *(which see)* left Bear, Stearns 1976; Kohlberg Kravis Roberts prowled for LBOs. Bought big: Houdaille Industries, $370 million, 1979; first $1 billion deal: Wometco 1984. Later, Storer Communications, Safeway, Beatrice, Owens-Illinois, Duracell, etc. Kohlberg left 1987, opposed hostile takeovers, prices; sued; still partner in some deals. In 1988, largest LBO ever: RJR Nabisco, $26.4 billion. Many partner-investors in all deals. KKR usually gets 20% LBO profits; also fees: 1.5% management fee, 1% investment banking fee, etc. Partners' risk minimal: typically 1% of equity. Investors not complaining: annual returns often 30%-40%. Profitably liquidated 1990: Beatrice, Motel 6; took Safeway public. Back on takeover trail 1991: nine magazines from Rupert Murdoch for $600 million; bought into Fleet/Norstar Financial Group, which bought failed Bank of New England for $625 million. Also took RJR, Duracell public. Henry: NYC. 47. Divorced, remarried; 2 children (1 son recently deceased). Hardnosed son of Tulsa oil geologist. High profile on NYC social scene: lavish donor to Met, ballet, hospitals. First cousin George: San Francisco. 48. Married, 3 children. Very private, hates NYC; runs SF office with brother-in-law Robert MacDonnell. Net of other KKR partners, cousins estimated $450 million each, plus unrevealed share RJR stock.

Wilton Robert Stephens and family
Jackson Thomas Stephens and family

Brothers. Investment banking, etc. Little Rock, Ark. Witt: 84. Widowed, remarried; 3 children. Jack: 68. Divorced twice; 2 children. Witt peddled belt buckles and Bibles, then switched to municipal bonds 1933. Bought at low Depression prices, sold high. Bought natural gas producer 1953 to exploit rich Arkoma (Arkansas and Oklahoma) Basin; now at least 150 billion cubic feet in reserves, seemingly bottomless: "I worked the state of Arkansas and I worked it pretty good." Brother Jack built Stephens Inc. into third-largest investment house off Wall Street: underwrote Wal-Mart 1970; helped Tyson Foods' takeover of Holly Farms 1989, etc. Large stock stakes include Worthen Banking, Alltel, Beverly Enterprises. Also miscellaneous operating companies, often mixing politics, business. Brothers Arkansas political kingpins; Jack major fundraiser for Annapolis classmate Jimmy Carter 1976, 1980. "Granddaddy of them all," cigar-chomping Witt still works full day at the office: "Just tell them I'm a Democrat, a Baptist and a farmer." Jack chairman; son Warren, 34, president, CEO. Two brothers, families share fortune estimated at $900 million.

Jon Meade Huntsman

Plastics. Salt Lake City. 54. Married, 9 children. Son of Idaho teacher; Wharton, USC. Managing in-laws' egg-processing plant inspired 1965 joint venture with Dow Chemical: polystyrene egg containers. Appointed HEW 1970; later Nixon aide. With brother, started new plastics-product company 1968. Survived near-bankruptcy, revived; sold out 1976. Founded Huntsman Chemical (polystyrene) on leverage 1983; bought big polypropylene capacity 1987. High leverage, but got in dirt cheap; cleaned up on industry turnaround. Looking abroad; especially U.S.S.R.: "Business is no place for people with cold feet. That's what they don't teach at Wharton. . . . One has to be an optimist." Utah chairman for Reagan, Bush. Estimated $450-million-plus.

John Edward Anderson

Beverage distribution, real estate. Bel Air, Calif. 74. Widowed, remarried; 4 children. Peddled popcorn outside dad's Minnesota barbershop. UCLA hockey scholarship 1936; Harvard M.B.A.; night law school Loyola. Cofounder Kindel & Anderson law firm

1953; formed Ace Beverage 1956 with personal investment egg, got Los Angeles rights to then minor brand, Budweiser. Parent Topa Equities now includes banks, insurance. Purchased First Business Bank (LA) 1989 for $86 million: "Price has never been the utmost item to me in making a deal." Low profile, but $15 million UCLA business school gift 1987: "Lead by doing, and be appreciative of your associates in words and acts and in your compensation of them." Estimated worth over $450 million ("I've been hungry emotionally for success").

Bob John Magness

Cable TV. Englewood, Colo. 67. Widowed, remarried; 2 sons. Born Oklahoma, worked as roughneck, cottonseed buyer. Served with Patton's Third Army in Europe WWII. B.S. Southwestern State, 1949. Started first cable system 1956 in Memphis, Texas. Built small-town systems, depreciated; built in larger towns. Became Tele-Communications, Inc. (TCI) 1968. Today largest cable company in U.S. (1990 revenues, $3.6 billion; 8.5 million subscribers). Through 56% ownership United Artists Entertainment, also major movie theater operator. Magness resigned Capcom Financial Services 1988, in same year company was indicted for BCCI scandal. Raises cattle, horses; collects art of the American West. His TCI stock recently worth over $450 million.

Marvin Herb ★

Bottling companies. Chicago. 54. Married, 2 children. Born and raised upstate N.Y., U. of Buffalo, M.B.A. U. of Toledo. Bronx plant manager for Pepsi-Cola. Then joined Borden 1970s as president of dairy, soda-bottling operations; eventually became president, consumer products division. In 1981 left to buy Coke's Indianapolis, then Chicago, bottling operations. Hired previous Pepsi colleagues: sued by Pepsi, but experienced team worth it. Currently distributes about 86 million cases in 5 states—Coke's third-largest bottler. Fanatically publicity shy. Estimated worth at least $450 million.

Oveta Culp Hobby and family

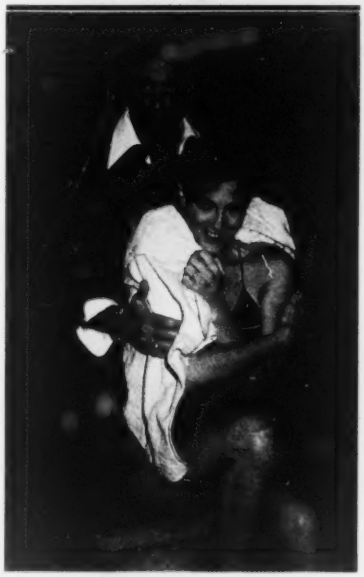
Media. Houston. 86. Widowed, 2 children. Daughter of state representative; had political interests: Texas House parliamentarian at 20; ran for legislature at 25, lost. Age 27, wed Houston Post Publisher William Hobby; added radio, TV. Liberal Republican, fashion plate, first HEW secy. under Eisenhower (second woman at cabinet-level post). Son William Jr., Texas lt. governor; daughter Jessica Catto published Wash. Journalism Review. Founded H&C Communications 1979; sold Post 1983, bought Cowles Broadcasting 1985; now 5 TV stations, 1 radio. Fortune (mostly in heirs' names but controlled by Hobby) believed down some 30% with fall in media values, estimated around $450 million.

Arthur Bejer Belfer and family

Oil, real estate. NYC. 83. Widowed, remarried; 3 children, 2 stepchildren. To U.S. from Poland WWII. Stopped making sleeping bags for Army 1952; discovered oil and gas business. Went public 1959 as Belco Petroleum Corp. Created large resource base in Peru, while tapping domestic natural gas resources. After oil endeavor in Israel flopped, spread out into U.S. coal mining 1969. Friendly takeover by InterNorth 1983. Company renamed Enron 1986. When Belco of Peru nationalized same year, Belco's output chopped in half. Arthur chairman emeritus; son Robert, 56, Enron director, tennis fanatic. Family's Enron stake, vast NYC real estate holdings worth estimated $450 million.

Clarence Scharbauer Jr.

Inheritance, oil. Midland, Tex. 66. Married, 4 children. Family moved from NYC, settled in Midland 1889; father became leading citizen—built the hotel, ran the bank. Also rancher, bought up thousands of acres in Goldsmith Field to feed cattle. Land turned out to be in one of the richest U.S. oil provinces—the Permian Basin. First strike: 1935; has produced 900 million barrels of crude to date. Clarence Jr. reputed one of most powerful men in Midland. Doesn't drill, just collects millions in royalties. Very private. Tends to horses. With revised oil reserve estimates, believed worth over $450 million.



Ron Galella

Robert Guccione: more than skin-deep

Penthouse females one-upped Playboy females on nakedness—alongside big-time bylines, including William F. Buckley Jr.'s and Harrison Salisbury's. But both mags' circulation fell in the 1980s, as the baby boomers grew up.

Clayton Lee Mathile ★

Pet food. Dayton, Ohio. 50. Married, 5 children. Former Campbell Soup buyer hired as general manager 1970 by Paul Iams, animal nutritionist turned pet-food maker. Iams looking for successor, Clayton running things by 1975. Bought out Iams cheap 1982. "He got a real sweet deal." Grew from $16 million sales to $210 million 1990. Pioneered fast-growing $1 billion yuppie puppy food market. Sold breeders with discounts, promise of smaller stools, better health. Result: near-commodity product but margins up to 25% pretax. Described as "born again" Catholic who runs company in "Judeo-Christian" manner: Extremely generous with employees: bonuses, birthday cards, etc. Estimated around $450 million; spokesman claims much less.

Teresa F. Heinz ★

Inheritance. Fox Chapel, Pa. 53. Widowed, 3 children. Controls family soup company shares after death of husband, Senator Henry John Heinz III (R–Pa.), in April plane crash. Married "John" 1966. John's great-grandfather H.J. Heinz sold horseradish Pa. 1869. Opened U.K. pickle co. 1886; cornered market. Two years later founded nation's ketchup, pickles, soup superstar. Now also Weight Watchers, Starkist, Ore-Ida, Nine Lives; 1991 sales est. $7.2 billion, powered by renowned ketchup with over 50% market share. No family members in H.J. Heinz Co. management. John elected Senate 1976, focused on finance issues, elderly. Teresa now holds block of family shares recently worth $445 million.

John William Berry Sr.

Yellow Pages. Dayton. 69. Twice divorced, remarried; 5 sons. Army WWII. Dartmouth. Son of Loren M. Berry, who sold horseradish, then ad space in train schedules as boy. Traveling salesman took dreams and $200 to Dayton 1910. Talked Dayton Home Telephone Co. into ad sales campaign using one-color paper. "Mr. Yellow Pages" died 1980 at 91. John Sr. bought out siblings, expanded. Sold L.M. Berry & Co., second-largest Yellow Pages ad agent, for estimated $335 million in BellSouth stock 1986, retired 1987. Now chairman Berry Investments: hunting supply company, security device firm, etc. John Jr. heads the Berry Co., a wholly owned subsidiary of BellSouth. Fortune at least $440 million.

Lawrence Fisher
Zachary Fisher

Brothers. Real estate. NYC. Larry, 81; Zachary, 80. Both married, 1 child each. Third-generation New York real estate family. Larry: "We've been in business for over 100 years." Larry and Zach started in Philadelphia, 1926, buying bank building; then Queens apartments over next two decades. Built, ran prime midtown office towers 1960s. Now near 7 million square feet in 5 class A buildings, including Burroughs Bldg., Burlington House, Park Ave. Plaza. Willing to wait years for perfect location to build. Larry: "I don't have to build to build; if the timing is right we will do it. A sensible company does not build just because the bank will loan the money." Played stock market with excess cash 1980s: pocketed about $60 million from runs on Disney, CBS. Larry still denies being Yankees fanatic: "I can't get past the fourth inning in baseball. Football I like." But his box at the Stadium is next to George Steinbrenner's. Despite real estate recession, brothers share estimated $880 million.

Charles Francis Dolan

Cable TV. Oyster Bay, N.Y. 65. Married, 6 children. Raised Cleveland; ran sports newsreel business with wife, wrote commercials, radio scripts; migrated to NYC 1952 to make industrial films. Fascinated with cable TV, began wiring NYC hotels 1960; won Manhattan franchise 1961; founded Home Box Office (HBO) 1970, first nationwide pay channel, to keep viewers tuned in. Sold Manhattan operations to Time 1973 to build Cablevision Systems Corp., now over 1.6 million area subscribers; more on Long Island. Partner in direct broadcast satellite system Sky Cable with NBC, Hughes Communications and News Corp.; startup due 1994. Estimated worth some $440 million.

John Jay Moores

Software. Sugar Land, Tex. 47. Married, 2 children. Married high school sweetheart at 19; they went to law school together. Never practiced. Programming, marketing for IBM 1966-74. Started BMC Software 1980 to create systems software for IBM mainframes. Designed first few products himself. Key to success: "I guess I'm more in touch with my weaknesses or deficiencies than most people. I have an ability to recognize and admire people who are smarter than I am." Went public at $9 in 1988, recently over $50. Revenues rose over 50% 1990, to $93 million. Homes Colo., Calif.; collects vintage Corvettes, Ferraris, Mercedes. His 29%, other assets, worth $440 million.

Charles Allen Jr.
Herbert Allen
Herbert Anthony Allen

Stock market, real estate. NYC. Charles: 88. Divorced, remarried; 3 children by first wife. Brother Herbert: 83. Widowed, remarried; 2 children. Charlie raised in Manhattan cold-water flat, high school drop-out. With two phones and $1,000, started bond trading age 19. Herbert joined in 1928. Made and lost first million by 1929. Herb's shrewd trading kept firm afloat during Depression. Since 1930s investments in small, unlikely, cheap ventures paid off. Herb yielded $45 million from $3 million investment in Benguet Mining. Charlie's most famous coup: Sunk $1 million in Syntex late 1950s; recently worth over $550 million. Invested heavily with big shot real estate developers A.A. Taubman, NYC's Bernard Mendick, Chicago's Arthur Rubloff. Herb's son, Herbert A.: 50. Divorced, remarried; 4 children. Joined business 1962. Against elders' advice bought 6% Columbia Pictures 1973, made $40 million selling piece to Coca-Cola 1982. Sold rest of shares to Sony for $70 million 1989. Allen & Co. highly secretive, entrepreneurial; partners bill each other for time, advice; Spartan offices, second-hand furniture. Holdings in over 200 companies like Ogden Corp., Hytek Microsystems. Allens' shared fortune estimated about $1.3 billion.

William Wrigley

Chewing gum. Chicago; Lake Geneva, Wis. 58. B.A. Yale. Twice divorced, remarried; 3 children. Grandson of William Wrigley Jr., who in 1890s gave away chewing gum as premium for baking powder purchase. Idea stuck. Founder decided to compete rather than join combination of chewing gum companies; in 1915 mailed stick of gum to everyone in U.S. phone books. Succeeded by son P.K., then grandson William. Today world's largest chewing gum company, in part because William upgraded gum-making machinery (guarded business secret), increasing productivity. William's son being groomed for succession. William's stock worth over $430 million.

John Hammond Krehbiel Sr. and family

Molex, Inc. Lisle, Ill. 85. Widowed, 2 sons. With father and brother, created Molex plastic by mixing coal- and asbestos-processing wastes. Produced small plastic objects (toy guns, etc.); then electrical components. Now major world producer connectors for electronics industry; 142 new products last year. About 70% of $594 million 1990 revenues generated from outside U.S. Sons run company. John Jr.: Lake Forest, Ill. 54. Married, 3 children. President, sees "wonderful opportunities" in Western Europe, explains growth: "We are very much tuned in to our customers." Fred: Hinsdale, Ill. 50. Married, 2 children. CEO. With family, John holds 47% of Molex stock, worth $430 million.

Louis Larrick Ward

Russell Stover Candies. Kansas City, Mo. 71. Married, 3 children. Stanford, WWII Navy; bought small paper box company 1950. One customer, Russell Stover: "There are only so many ways you can put chocolate, butter, cream, eggs, milk, fruit and nuts together—the real competition is in finding different kinds of packaging." Bought control Stover 1960 for $7.5 million, took public same year; took private 1981. Relied on point of sale, word of mouth. Insisted on quality, attractive packaging. Also modern plants, low-cost labor. Now largest boxed-candy producer, big on East Coast. "Keep going forward, but keep your eye on the company in the rearview mirror." Net worth estimated $425 million.

Robert Levine ★ Craig Benson ★

Computer networks. Levine: Stratham, N.H. 33. Married, 1 child. Voted least likely to succeed in high school. U. of Miami B.S. 1981 (2.1 grade point average). Endeavoring to make fortune, tried different businesses; some earned more debt than dollars. Benson: Rochester, N.H. 36. Married, 2 daughters. M.B.A. under belt, managed high-tech stock rooms. As electronics manufacturer's reps, both inspired to new try: cofounded Cabletron Systems in Levine's garage 1983; Benson attached connectors to odd lengths of cable bought from former client, Levine lifted them onto truck. Could deliver networking products in 1 day; competitors took 8 weeks. Hit PC-linking boom just right, went public 1989, now a leading Local Area Network (LAN) firm. Benson: "The higher you go up, the farther it is to look down." Levine's shares recently $425 million ("I hate it when people are better than me"), Benson's $345 million ("I have better suits now").

Reginald Lewis
Few if any have done better in 1980s-style thin-equity deals than this Harvard-trained Wall Street lawyer. He put up $1 million for McCall Pattern, then sold it for $80 million more. When he tried to take TLC Beatrice public in 1989, the market balked. So now he runs it, pays down debt, and prospers.

Amory Houghton Jr. ★

Corning, N.Y. 65. Married, 4 children. Fifth-generation descendant of Amory Houghton, who founded Corning Glass Works 1851. Made first glass bulbs for Thomas Edison 1879. Later, Pyrex (1915), silicone (early 1930s), fiberglass (1935), commercial TV picture tube (1948), optical fibers (late 1960s). Amory Jr.: 2 years in Marines, then went for 2 Harvard degrees, then 36 years as Corning executive. Left 1986 to be congressman (R–N.Y.), reelected twice; took himself out of New York governor's race. Brother Jamie, 55, now runs the company, reorganizing and reviving family prize. Houghtons control 14.4%; Amory's 6.9% recently worth $420 million: "What we need are businessmen."

Robert Lee Moody and family

American National Insurance. Galveston, Tex. 56. Divorced, remarried; 4 children, 4 stepchildren. Great-grandfather William Lewis Moody started cotton, banking business 1860s. William Jr. launched ANI 1903. Company blossomed with help of Texas insurance laws encouraging non-Texan insurers to leave, or not enter. Empire grew, added newspapers, hotel chain, ranch land. William Jr. died 1954, divided fortune between foundation and family trust; legal battles followed. Robert bought 51% Moody National Bank from foundation 1979, controls family trust with 35% ANI. Brother Shearn Jr. jailed for mail fraud 1987; conviction overturned. Robert controls fortune estimated over $420 million.

Lucille Carver

Inheritance. Bandag, Inc. Muscatine, Iowa. 74. Widow; 3 sons by Roy James Carver (d. 1981), who acquired rights to tire retread process discovered 1957 on trip to Germany. "Bandag" method uses "cold bonding" as opposed to more traditional "hot cap" process, resulting in long-

er-wearing treads. Now world's largest supplier precured tread rubber (1990 sales, $586 million); 13% margins. Youngest son Martin, 43, chairman since father's death, now CEO. "We are not one of the companies that spend all their time looking for deals; we try to run our business." Brother Roy Jr., 47, owns Carver Pump Co. (dad's original business). Mother Lucille has biggest chunk Bandag, worth over $420 million.

Morris Dabah and family ★

Manufacturing. NYC. 66. Married, 3 sons, 1 daughter. Emigrated from Israel. Launched small import firm 1971; introduced Gitano brand women's clothing 1977. First, denims for the young and nubile, sold in discount stores like Wal-Mart, Kmart and Target (still 40% of company's $800 million sales). Looked to add department and specialty stores, change image; acquired Gloria Vanderbilt women's clothing line for $15 million 1988; separately, family bought Children's Place apparel retailer 1989. Ads strive for wholesome family image but some still have sultry models. With family, owns some 69% of Gitano common stock; also real estate. Morris chairman, CEO; sons Haim, Ezra, Isaac officers. Shares recently worth $420 million.

Howard Butcher Hillman
Tatnall Lea Hillman

Inheritance. So-called robber baron John Hartwell Hillman Jr. adopted both when he married Dora Keen Butcher (divorced 1982); stepbrothers of Henry Hillman *(which see)*. John Hartwell created huge industrial empire of coal mines, blast furnaces, iron ore brokerage, banks, real estate, etc. Left adopted sons one-third Hillman Co., Henry bought some of portion; brothers currently hold 20% of now diversified $4 billion empire led by Henry. Howard: Greenwich, Conn. 57. Married, 2 children. Majored economics, Princeton 1956. Navy. Harvard M.B.A. 1960. Stint at Chemical Bank, in which family once had large interest. Venture capitalist, invests through Taconic Group. Tatnall: Radnor, Pa. 53. Divorced, 4 children. Majored biology, Princeton 1959. Navy. Taught science Princeton Day School; now self-employed computer programmer/analyst. Supports conservative causes. Brothers' share of Hillman fortune estimated $415 million each.

Jerome Spiegel Kohlberg Jr.

Leveraged buyouts. Mt. Kisco, N.Y. 66. Married, 4 children. New York-born lawyer, Harvard M.B.A. Left Bear, Stearns to found KKR 1976 with Kravis, Roberts *(which see)*: bought undervalued companies using massive debt, motivated managers with part ownership; multiplied value. First Big Board buyout: Houdaille Industries for $370 million 1979. First $1 billion deal: Wometco 1984. Many more. "Patriarch," mentor of firm; split with Kravis, et al. In 1987 opposed hostile takeovers, too-high prices. Still limited partner in some KKR deals but major source for recent anti-KKR book, *The Money Machine*; Kohlberg's lawsuit for greater share profits dropped 1990. Jerry estimated at least $400 million.

Samuel Zell

Real estate, investments. Chicago. 50. Married, 3 children. With U. Michigan frat brother Robert H. Lurie (d. 1990 of cancer) bought up troubled Sunbelt, Midwest properties, rehabbed for fraction of new construction cost, sold some for big gains; bought more. Applied turnaround strategy to companies: notably Itel (now largest U.S. railcar lessor); also 15% stake Santa Fe Pacific. Financing "vulture fund" for real estate and corporate workouts with $1 billion equity: "Leverage was the beverage that got this party cookin'; but the hangover's set in, and now a Gravedancer's lookin'." Gravedancer-bad-poet Zell manages empire worth over $800 million; split with Lurie's wife, 6 young children.

Robert Edward Rich Sr.

Cream substitute. Point Abino, Ont.; Palm Beach, Fla.; Buffalo, N.Y. 78. Married, 3 children. Bought own milk company 1935 after learning business from family's dairy company. Pioneered cheap, soybean-based frozen whipping cream, saying, "The cow is a very inefficient factory." Built niche markets: Coffee Rich creamer 1960. Sales recently $820 million, mostly to food service industry; expanding internationally—Australia, Mexico, Hong Kong. Son Robert Jr., 50, president, pushing for innovations in food preparation. Company owns Buffalo Bisons, only minor league team to attract million fans 2 consecutive seasons. Rich, with family, estimated at least $400 million.

James Elsworth Davis

Winn-Dixie Stores. Jacksonville, Fla. 84. Married, 2 children. One of 4 sons of William Milton Davis, who had Idaho general store. Bought Rockmoor grocery store in Lemon City, Fla. 1925 for $10,000. Grew through acquisitions to 34 stores by 1934, then known as the Table Supply Stores. James quit college to help with business, 3 brothers also in company. Listed NYSE 1952. Became Winn-Dixie 1955 through series of mergers, acquisitions: "To win Dixie was our ambition." One of biggest nonunion grocers in U.S. James chairman to 1983. One of 20 initial investors American Heritage Life Investment Corp. 1956, chairman to 1986, now vice chairman. Owns Florida game preserve with buffalo. His stock, other assets estimated $400 million.

Roy Michael Huffington

Oil. Houston. 73. Married, 2 children. Geology Ph.D. Harvard; rose to chief Gulf Coast geologist Humble Oil (now Exxon). Abandoned safe corporate womb to prospect oil 1956; moderate success for 12 years. Then Indonesian geology reminded him of southern Louisiana. Took terms majors wouldn't accept, remained operator; major gusher 1972 made mere 17% worthwhile. Quietly acquired equivalent of 11 blocks downtown Houston 1980s. Sold out oil, gas and real estate to Chinese Petroleum Corp. 1990 for about $600 million. Sued to reverse transaction, charged Taiwanese shortchanging; opponents said he wanted to renege because assets now worth $200 million more.

Case to date; Roy refunded $7.8 million of the $25.5 million CPC paid for Huffington's net liquid assets. Currently ambassador to Austria. After capital gains tax, worth at least $400 million.

Harry Howard Hoiles
Mary Jane Hoiles Hardie

Publishing. Brother and sister; children of Raymond C. Hoiles (d. 1970), $2-a-week printer's assistant who bought Bucyrus (Ohio) Telegram-Forum 1927, Santa Ana Register 1935. Freedom Newspapers now 27 dailies, 17 weeklies (sold 10 weeklies to Thomson Newspapers this year), 5 TV stations and OCN, 24-hour Orange County (Calif.) news channel. Used papers to spread libertarian philosophy; opposed taxes, public schools, etc.; escaped 2 bombing attempts. Chose name "because freedom will live forever and the Hoiles name will be forgotten in a short time." Descendants doing best to attain obscurity. Three children inherited; son Clarence headed company until 1981 death led to family dispute. Harry: Santa Ana, Calif. 75. Married, 3 children. Sued for control of Freedom 1982, offered to buy outright for $1.01 billion 1985. Mary Jane: Marysville, Calif. 69. Married, 4 children. Husband Robert Hardie: chairman. Hardie family and Clarence's heirs unwilling to sell or split up chain. Three branches share company; worth estimated $400 million each. "Nobody can hate each other the way a family can."

Charles Cassius Gates Jr. and family

Gates Corp. Denver. 70. Married, 2 children. Charles Sr. owned business that sold tire covers in 1911. Charles Sr.'s brother invented V-belt 1917; company became leading producer. Dad delivered Charles Jr. in back of family car en route to hospital. After inheriting in 1961 with 4 sisters, Stanford-educated engineer opted to diversify; slashed tire divisions. Bought unprofitable Learjet Inc., turned it around: sold 65% for $57 million 1987. Like company, Gates very private. Rubber accounted for 80% of $1.3 billion 1990 sales. "We have an 80-year relationship with vehicles." Carried on family tradition: still leads world in belts and hoses. With other investments, worth $400 million.

Katharine Graham

After taking over when her husband died in 1963, she ruled the Washington Post like the mistress of a castle. Since 1982 shares have risen sixfold, adding much to friend Warren Buffett's wealth. Son Donald now CEO, and she retired her top editor. She remains chairwoman.

Alpheus Lee Ellis

Banking, real estate. Tarpon Springs, Fla. 85. Widowed; 1 daughter, 3 granddaughters. Got first banking job 1920 cleaning spittoons for $8 a week in father's bank. Worked way up. Bought first bank 1943. Slowly acquired, with wife, 15 Florida banks, formed Ellis Banking Corp. 1972. Merged with NCNB 1984 for 4 million shares (still largest individual shareholder) plus lifetime guarantee of job, car and driver, personal secretary, office. Also acquired West Florida real estate estimated at over $80 million. Still works 6 days a week. "I don't do anything but work. I used to play golf. I made a hole in one once so I quit." No debt. "I don't owe anyone a thing." Worth some $400 million.

William Edward Maritz and family

Maritz Inc. St. Louis. 62. Divorced, 4 children. Grandfather Edward F. Maritz began making watches 1894. Father James, to boost faltering Depression sales, convinced businesses to use watches as employee performance incentives. Soon abandoned watches, focused on selling motivation services; Bill became chairman, CEO, president, 1983. Now sells performance improvement to Forbes 500 corporations, including IBM, big three automakers. Also, travel services to companies; outgrowth of incentives business. Fiscal 1991 revenues $1.84 billion. William (and sister) control 100% of voting stock. In a weak economy company estimated at $400 million or more. "We don't toot our horn, that's not our style."

John Thomas Lupton
Elizabeth Lupton Davenport

Brother and sister. Coca-Cola bottling. Grandfather John T. (d. 1933) got right to distribute Coca-Cola 1899. Used part of patent medicine fortune to finance first Coke bottling plants. Father Thomas Cartter bought, sold Coke franchises at frantic pace. John: Lookout Mountain, Tenn. 65. Married, 4 children. Started as bottle washer; ran family firm (JTL) from father's death 1977. Former Coca-Cola board member (to 1983), sold JTL to Coke 1986 for $1.4 billion. After JTL sale John netted estimated $325 million. Involved in local projects, including River City Co., estimated $750 million revamping of downtown Chattanooga. "Jack is very outspoken on anything he believes in." Sister Elizabeth: Lookout Mountain. 58. Divorced, remarried; 3 children. Her share similar to John's; pair now estimated at $800 million total.

Sheldon Henry Solow

Real estate. NYC. 63. Married, 2 sons. Small-time builder sank everything into putting up landmark Manhattan skyscraper 1972. "We're in barracuda land. You can only get away with this

once." 9 West 57th Street: 1.5 million square feet, catchy architecture (sloping sides, big red "9" on sidewalk), prime location, great views said to fetch highest New York City office rents. Worth about $400 million: "It's the kind of building the Japanese would love." Also invested in other New York City office space and luxury apartments. Skilled dealmaker; history of litigiousness. Net worth estimate down 20% from last year, to $400 million.

Mark Les Goodson

Game shows. NYC, Beverly Hills. 76. Thrice divorced, 3 children. Son of Russian immigrant who opened first health-food store in Berkeley. Mike-fright ended radio announcer hopes; produced radio soaps. With partner Bill Todman (d. 1979) did game shows 1940s. Entered television 1950 with *What's My Line?*: "I gave it 10 weeks." Later, *I've Got a Secret, The Price Is Right, Password, Family Feud,* etc., etc. Profits plowed into newspapers—now 8 dailies, 23 weeklies, mostly suburban. Managed by Ralph Ingersoll Sr. and son for 3 decades; acrimonious breakup 1989. Goodson untouched by Ingersoll's junk bond woes. "I know that I have money, but I don't feel rich." Not even at estimated $400 million.

Guilford Glazer

Real estate. Beverly Hills. 70. Divorced, remarried; 2 children. Worked in father's welding shop Knoxville, Tenn.; George Washington and University of Louisville; Navy World War II. Expanded family business; launched building career 1950 with apartment building for widowed mother. Shopping center 1954 Oak Ridge, Tenn., sold 1989 for $45 million. Other centers built, then sold in Ohio, W.Va., Pa. Moved to Los Angeles for climate, opportunities; opened largest U.S. mall, LA's Del Amo Fashion Center, 3 million square feet, 1971: "The way a businessman works is that he takes a deep breath and jumps into the river and believes he will swim to the other side because he must." Active U.S./Israeli political affairs. Estimated $400 million.

Fitz Eugene Dixon

Inheritance. Lafayette Hill, Pa.; Palm Beach, Fla.; Winter Harbor, Me. 68. Married; 1 son, 1 daughter. Primary heir of 2 great-grandfathers: streetcar magnate P.A.B. Widener (d. 1915; reportedly worth $100 million), William Elkins (d. 1903; reputedly $30 million). Harvard dropout, taught 16 years at his prep school, Episcopal Academy, "the happiest days of my life." Philanthropist, especially medicine, education. Fortune mostly blue-chip stocks, bonds; owns most of Grindstone Neck, Me., faded resort where he was born. Owns 10% Philadelphia (baseball) Phillies. Wears emerald ring grandfather George (d. 1912 *Titanic*) gave to wife as she stepped into lifeboat. Estimated worth at least $400 million.

Joe Lewis Allbritton

Broadcasting, banking, insurance, publishing. Washington, D.C., Houston. 66. Married, 1 son. Native of D'Lo ("Damn Low"), Miss., son of Houston cafe owner. Made first million founding Texas S&L, buying and selling land in path of expansion. Bought Washington Star 1974, sold 1978 for small profit. "Timing has always been one of my best talents." Media properties worth $350 million. WJLA-TV in D.C. alone worth $275 million. Also 4 other TV stations, small newspaper. Reputation for toughness. Took over "blue blood" Riggs National Bank 1981 in semihostile maneuver. Controls some 5 million shares. Also small insurance company interest. Net worth estimated $400 million.

Thomas Stephen Monaghan

Domino's Pizza. Ann Arbor, Mich. 54. Married, 4 daughters. Fatherless at age 4, mother put Tom, younger brother Jim in Catholic orphanage. Studied for priesthood, expelled from seminary. Marines. U. of Michigan dropout. With brother, bought pizza parlor for $500 in 1960. Traded VW to buy out Jim. By 1989 Domino's sales $2.5 billion, 5,100 stores worldwide, built on "30-minute delivery." Tried to sell; no buyers. Claims religious renewal: "I had my high-rolling days. I hope I am maturing. . . . I've been working on cutting back on luxuries. I haven't bought any Frank Lloyd Wright artifacts in a long while." Owns Detroit (baseball) Tigers, etc. Funds a Honduran missionary, gave large sums to antiabortion groups. Net worth estimated some $400 million.

Richard T. Farmer ★

Cintas Corp. Indian Hill, Ohio. 56. Married; 3 children, 5 grandchildren. Miami U. (Ohio); Marine Corps 1957. Grandson of "Doc" Farmer, who founded shop 1929 to supply factory wiping materials. Father Hershell (d. 1973) eventually took over. Says Richard: "When I got here, it was a small business, and I didn't want anything to do with it, and my dad and I started to argue, and he finally said 'Here, you run the thing.' " Richard then 23. Viewed wipers as dead end, refocused on making workers' uniforms. Found eager market for one-stop service: fitting, cleaning, customizing, etc. Latest expansion: shoes, goggles, hard hats. Big donor to alma mater (business school named for him). Golf (14 handicap); hunting, fishing. Shares, etc. worth at least $395 million.

Bernard F. Brennan

Montgomery Ward. Winnetka, Ill. 53. Married, 3 children. Middle-class upbringing Oak Park, Ill. Dad and uncles Sears employees. Joined older brother Edward at Sears 1964 (Ed now Sears chairman). Quit 1976 for small Florida retailing distributor; elbowed aside founder, chief executive, became chairman 1979. Reputation as "hard-driving, decisive and an excellent retailing executive." Head of store operations at faltering Montgomery Ward 1982, left 1983 after clash with boss. Next, chief executive Household Merchandising. Back to Ward, languishing as Mobil subsidiary, as president 1985, now chairman and chief executive. Turnaround: redesigned stores, cut costs, tripled profits. Led $3.8 billion leveraged buyout with GE Capital 1988; his 30% worth estimated $390 million.

Jack N. Mandel
Joseph C. Mandel
Morton L. Mandel

Brothers. Premier Industrial Corp. Jack: Shaker Heights, Ohio. 79. Married, childless. Joseph: Lyndhurst, Ohio. 77. Married, 2 daughters. Morton: Shaker Heights. 70. Married, 3 children; dropped out of college at 19. Brothers pooled $900 to buy auto parts store from uncle 1940. Soon specialized in hard-to-find nuts, bolts, etc.; commanded premium prices from grateful customers. Went public 1960; Jack and Joe in charge of marketing; Mort, chairman and CEO. Company has sacrificed speedy growth to serve small buyers wanting obscure products. Fanatics about customer service: 95% of orders shipped within 24 hours. "Customer service is easy to say. It's very hard to do." Mandel philosophy has paid off handsomely: 1991 sales $637 million, net margins near 12%. Nation's leading distributor electronic components. Brothers' 66%, other assets, worth almost $1.2 billion.

DeWayne B. Reinhart

Wholesale food. La Crosse, Wis. 71. Married, 4 children. Three years at Superior State Teachers College (Wis.) interrupted by WWII Army Air Corps. Postwar, sales manager wholesale grocer. With partner David Nudd picked up nearly $3 million (sales) Gateway Foods 1956. Expanded, added IGA supermarkets, bought out Nudd 1979. Stayed private, safe from takeovers, stockholder pressures; strong employee incentive plans. Built to $2.3 billion sales. Sold Gateway 1989 to Scrivner (American arm of Germany's Franz Haniel & Cie). Still has businesses to tend: Reinhart Institutional Foods, Reinhart Investments, real estate ("little playthings to keep me busy"); children involved in each. Net worth estimated at least $390 million.

Seymour Cohn

Real estate. Palm Beach County, Fla. 81. Widowed, 2 children. Great-grandparents left Germany, settled NYC 1860s. Tried real estate, found familial calling. Seymour quit Rutgers 1931, joined family firm. Younger brother, Sylvan Lawrence *(see family)*, joined him 1946; firm put in Sylvan's name for good luck. Seems to have worked: Took chances—bought risky properties that lost in short term but gained in long term. Like old Port Authority Building for $26 million 1973; now worth over $100 million. Brothers controlled some 120 buildings mid-1970s. Since Sylvan's death 1981, sold properties worth nearly $800 million. Seymour's half of fortune estimated at least $390 million.

Charles C. Butt

Supermarkets. San Antonio. 53. Single. Baptist grandmother started small grocery Kerrville, Tex. 1905, family lived upstairs. Son Howard (d. 1991) renamed chain H.E. Butt Grocery 1935, chairman to 1984. Today HEB Foods. Grandson Charles bagged groceries age 8. B.S., economics, Wharton 1959. Brother Howard Jr. on board, runs HEB Foundation; pursues "interdenominational calling." Sales last year $2.9 billion; one of nation's largest privately owned supermarket chains; 174 stores, 32,000 employees. Successful competitor against Kroger, Albertson's *(which see)*. Sign in office: "The price to stay is always equal to or greater than the price you paid to get there." Charles very private, demands loyalty. Owns 100%, believed worth some $380 million.

Irénée du Pont Jr.
Irene Sophie du Pont May
Constance Simmons du Pont Darden
Eleanor Francis du Pont Rust
Mariana du Pont Silliman
Octavia Mary du Pont Bredin
Lucile du Pont Flint and families

Brother and sisters. Inheritance. Children of Irénée Sr. (d. 1963), president Du Pont Co. 1919-26 *(see family)*. Irénée Jr.: Montchanin, Del. 71. Married, 5 children. With Du Pont Co. 32 years, retired as senior VP 1978; left board 1990; still on boards Wilmington Trust, Longwood Foundation. Oversaw merger Christiana Securities with Du Pont 1977, which effectively ended traditional family control of company. Irene Sophie

Our man in Havana: Robert Vesco, before his deportation from Costa Rica and resurfacing in Cuba

What a résumé. After the onetime auto mechanic and his henchmen embezzled $224 million from Investors Overseas Services in the early 1970s, Vesco gave $200,000 cash to Richard Nixon's 1972 campaign; fled to Costa Rica, spending lavishly to convince officials to let him stay; skipped to the Bahamas; rumors abounded that he was involved in drug smuggling. He now lives—modestly, it is said—in Cuba.

(Mrs. Ernest May): Wilmington, Del. 90. Widowed, 4 children. Constance Simmons (Mrs. Colgate W. Darden Jr.): Norfolk, Va. 87. Widowed, 3 children. Husband (d. 1981) governor Va. 1942-46. Eleanor Francis (Mrs. Philip Gordon Rust): Thomasville, Ga. 84. Married, 4 children. Mariana (Mrs. Henry Harper Silliman): Hagley, Montchanin, Del. 80. Married, 6 children. Octavia Mary (Mrs. John Bruce Bredin): Greenville, Del. 78. Married, 6 children. Lucile Evelina (Mrs. Robert Baronet Flint): Greenville. 76. Married, 5 children. Seventh sister Margaretta Lammot (Mrs. Crawford H. Greenewalt) died 1991, leaving millions in land to nature society in Greenville, Del., rest to husband (president Du Pont 1948-62) and 3 children. These 7 surviving siblings and families have fortunes, much in trusts, estimated at least $375 million apiece.

Jack Crawford Taylor

Enterprise Rent-a-Car. St. Louis. 69. Divorced, remarried; 2 children. Joined Navy to avoid finishing college. Car salesman, then sales manager for Cadillac dealer; started own leasing business with financial backing from boss; took 50% pay cut. Early 1960s, pioneered insurance replacement rentals for wrecked cars, now 75% of his rental business. Expanded nationally 1970s, starting with South. Avoids large players at brutally competitive airports, likes residential areas; sidelines in candies, coffeemakers, etc. 10% of sales. Son Andy president, forecasts $1 billion revenue, near 20% growth, in all major cities by 1994. Jack's 80% estimated $365 million.

Carl Clement Landegger
George Francis Landegger

Inherited. NYC, Conn. Father Karl bought Austrian paper mill 1920s. To U.S. 1940 with $40,000 to escape Hitler. Bought two private companies: Parsons & Whittemore, small pulp trading firm, now holding company, leading worldwide pulp and paper producer; also share in Black-Clawson, paper machinery manufacturer. Died 1976, Carl and George inherited, wholly own, run companies. Parsons currently building $700 million pulp mill Alabama. George: "We will therefore become the largest market paper-pulp producer and seller in the world." Explains: "We're pretty bullish." Two companies leaders in preparing for recycling boom. Carl: "Everybody has decided they must recycle. The fifth-biggest industry is being pushed into restructuring." Carl: 61. Divorced, remarried; 3 of 6 children in family business. Runs Black-Clawson's worldwide operations. George: 55. Divorced, remarried, 5 children. Runs North American pulp mills. Brothers share fortune worth $730 million.

Anne Catherine Getty Earhart
Caroline Marie Getty
Claire Eugenia Getty Perry

Daughters of George Getty (d. 1957), son of renowned oilman Jean Paul Getty; collectively know as "Georgettes" by family. Inheritance. Anne: Irvine, Calif. area. 39. Married, 2 children. Began squabble over half-uncle Gordon's *(which see)* control of Sarah C. Getty Trust, then backbone of Getty family fortune; also disliked handling of Getty Oil; married to former Peace Corps volunteer. Claire: 37. San Francisco Bay area. Also married to former Peace Corps man; 4 sons. Amid initial Getty-Pennzoil deal, petitioned California judge, got temporary restraining order giving Bruce Wasserstein chance to bring in Texaco; resulted in Getty oil sale. Caroline: 34. San Francisco. Single. Active in preserving wildlife, environment. All very private, not into social scene. Share portion of Getty fortune estimated $1.1 billion.

John Arrillaga
Richard Taylor Peery

Partners. Real estate. Palo Alto, Calif. John: 53. Married; 1 son, 1 daughter. Son of spud farmer; Stanford hoops scholarship; real estate salesman (1957-67) southern Calif. Richard: 51. Married; 3 sons, 1 daughter. Son of Bank of America honcho; Stanford business school; took job managing Dad's ragtag Bay Area real estate. Impressed by John's dealmaking prowess, teamed up 1967. John the outside man, Richard monitors the bottom line; colleague calls them "toughest businessmen I've ever dealt with." Expanded property holdings with help of easy Bank of America financing. Hot to develop, began buying fruit farms cheap: pair now secretive lords Silicon Valley, with nearly 10 million sq. ft. of R&D space; known to accept tenant company stock in lieu of rent. Moving into golden town of Sacramento, but stalled by city's unwillingness to rezone for them. Dynamic duo live 2 blocks apart; John fanatic gardener, Dick avid outdoorsman, devout Mormon. Together, estimated worth some $730 million, assuming reputation for current low leverage justified.

Lawrence J. Ellison

Oracle Systems. Atherton, Calif. 47. Divorced, childless. Dropped out of U. of Illinois and U. of Chicago. Helped develop first IBM-compatible mainframe, at Amdahl. Worked on computer mass storage at Ampex, 1973-75. Founded Oracle, software supplier, 1977 with $2,000. Shot to top of market by adapting programs to wide variety of computer brands and sizes. Phenomenal sales boom: 1981, $1 million; 1990, $971 million. But Ellison's philosophy of maximizing growth bumped things like management and quality of earnings to back burner, prompting last year's stock collapse. "We had to get hit upside the head with a 2-by-4." In search of reform, has replaced many top employees. Holds 26% of Oracle, back up to $365 million.

Dean Stanley Lesher

Newspapers. Orinda, Calif. 89. Married, 3 children; 2 daughters in business. Son of Williamsport, Md. physician. U. of Maryland, Harvard Law. Trial lawyer 14 years. Represented newspaper clients who "seemed to be doing exceptionally well. I thought the Lord was pointing a flaming finger in my direction to say even you can do well at that." Moved to Calif., consulted with newspaper broker, bought first paper there March 1941. Then, WWII newsprint shortage; "I

sat there and bawled like a baby." Beneficent banker kept afloat with loan. From nadir built slowly to 8 dailies, 18 weeklies. Lord's flaming finger sent dramatic growth to his territory: over 350,000 circ. northeast of Bay Area, worth estimated $360 million.

Jane B. Engelhard

Inheritance. Far Hills, N.J. 73. Twice widowed, 5 daughters. Left war-torn Europe for Buenos Aires with "nothing but our passports and our personal belongings." Second husband, "Platinum King" Charles Engelhard Jr., built $300 million estate from precious metals business; pals with 007-writer Ian Fleming, was prototype for Goldfinger character. With Jane, jet-setted among numerous houses worldwide; Charles died 1971. Jane retired socialite, entertains discreetly in N.J. home, Cragwood. Collects rare books, documents, owns original proclamation of Louisiana Purchase, signed by Thomas Jefferson. Very quiet. Fortune, prudently invested, could by now exceed $360 million.

Michael Keamon/Woodfin Camp

Steve Jobs trying for his Next winner
After being pushed out of Apple and selling $133 million in stock, Jobs is trying to score again with Next, a workstation aimed at colleges and businesses (first-half 1991 revenues, $70 million).

David Theodore Chase

Real estate, media, investments. W. Hartford, Conn. 62. Married; 1 son, 1 daughter. Born David Ciesla, Kielce, Poland; survived 3 years Auschwitz, other camps; lost parents, sister to Nazis. To U.S. 1946 speaking 6 languages. Door-to-door salesman, then small-time contractor; made first million age 27 forming discount department store. Early project: monuments honoring parents. Developed shopping centers late 1950s; office tower 1972, more early 1980s. Branched into TV, radio, etc.; plans Polish fiber-optic cable TV, telephone system: "I guess deep down I always wanted to go back." Daughter Cheryl chief counsel, son Arnold, son-in-law Roger Freedman exec. vice presidents. About $100 million to each child. Worth estimated $355 million.

Robert William Galvin

Motorola. Barrington Hills, Ill. 69. Married, 4 children. Son of Paul, who founded Galvin Mfg. Corp. 1928 with $565. Made radios; walkie-talkies during WWII. Later, TVs, police radios. Paul died 1959. Robert groomed for business all his life. "The prototype of the professional manager," sold off traditional products, moved to forefront of radio, data communications. In 1970s-80s made Motorola largest U.S. semiconductor maker, world's leader cellular phones. Chairman Sematech, government microchip project to advance U.S. electronics industry; stepped down as Motorola chairman Jan. 1990. Left door open for third-generation Galvin: son Chris, now senior executive vice president. Motorola shares, etc. estimated $355 million.

Jesse Mack Robinson

Banking. Atlanta. 68. Married, 2 daughters. College dropout, used-car salesman, built chain of auto finance companies. Financed Yves Saint Laurent 1960; sold 1966 for $1 million. "One doesn't always keep the right things." Bought or opened 22 banks, including interest in First Wachovia. Often only banks around. Miniconglomerator: lumber mills, billboards, insurance, waste management. "I have made a lot of people millionaires." Heart attack 1986 prompted slow sale of businesses. "I keep changing my share in companies day to day." Horse breeder, golfer. Hopes to keep business in family. Estimated worth at least $355 million: "That list has caused me no end of problems."

Lewis Robert Wasserman

MCA, Inc. Palm Springs and Beverly Hills. 78. Married, 1 daughter. Hustled candy in Cleveland movie theater until MCA founder Jules Stein took on as band booker 1936; soon represented stars: Jimmy Stewart, Alfred Hitchcock; also Ronald Reagan. At 33, heir to MCA presidency, promulgator of famous MCA dark suit dress code. Acquired Universal Studios 1962, divested talent agency after antitrust suit by Robert Kennedy. Later, more acquisitions: Geffen Records, 49% of Cineplex Odeon. Sold MCA to Matsushita Electric early 1991 (minus NYC TV station); concocted lavish salary contract and tax-free MCA share conversion scheme: "Last of the larger-than-life movie moguls." Estimated worth over $350 million.

Richard Rainwater

Investments. Fort Worth. 47. Married, 3 children; reported near divorce. Son of middle-class Lebanese-Cherokee wholesaler. Math and physics major U. of Texas, then Stanford business school where met Sid Bass *(which see)*. Joined Sid to run $50 million Bass family fortune 1970. "I've played as many positions in the investment world as there are to play." Left 1986 to run own sizable portfolio: $5 billion LBO Hospital Corp. of America, oil deals. Last year snatched up Penrod Drilling from bankrupt Hunt brothers. His natural gas company Wolverine Exploration in doldrums. "You can give it a value of zero." Still, net worth believed around $350 million. "I'm just grateful I'm about where I was last year."

Harry Lebensfeld

UIS, Inc. NYC. 87. Separated, 1 daughter. Founded United Industries Syndicate 1945, now UIS. First acquisi-

tion: small desk manufacturer, Shelbyville, Inc. Eventually assembled 15 companies, some turnarounds—Necco wafers, millwork wholesale supply, auto parts—but says has preference for keeping management. Revenues 1990 nearly $620 million. Invests for long term; still chairman, chief executive officer. Lean operation with 15 employees in NYC headquarters. Company owned through trust for daughter and grandchildren; daughter married to Richard Pasculana, executive vice president. Despite auto parts slump, estimated net worth $350 million. Lebensfeld: "If something seems to work, it makes sense to keep on doing it."

Susan Thompson Buffett ★

Marriage. San Francisco, Omaha. 59. Married to Warren Buffett *(which see)*; 3 children. Daughter of Omaha educator. Her parents knew Warren's; met husband-to-be when she roomed with Warren's sister at Northwestern. She dropped out, they wed 1952. Heavily involved in civil rights movement; couple became Democrats; "It caused a great commotion" in family. Today sees Warren about once a month. Warren: "It works well this way. She sort of roams; she's a free spirit." Son: "She brought [my father] out of his shell." President Buffett Foundation: millions to family planning. Her shares Berkshire Hathaway worth over $350 million; Warren says he plans eventually to leave his fortune to the foundation: "Preserves the most flexibility in terms of any future changes in laws."

Eugene Paul (J. Paul Jr.) Getty

Inheritance. London. 59. Divorced, widowed; 4 children with first wife, 1 by second. Third son of late oil baron Jean Paul Getty *(see Gordon Getty)*. Got into Sixties counterculture, drugs. Series of misfortunes: Divorced 1965; married Dutch actress 1966. Couple became addicts, she died of heroin overdose 1971. Their son Tara Gabriel Galaxy Gramaphone now 23. Reportedly seeking movie career. Namesake son from first marriage kidnapped 1973; ear cut off before grandfather would pay ransom; had stroke age 25 from overdose alcohol, drugs: now blind, paralyzed. Court forced J. Paul Jr. to pay doctor bills. Now a recluse. His share of Getty family fortune is estimated at $350 million.

Lila Wallace, philanthropist
Her husband, Reader's Digest cofounder DeWitt, died in 1981, the year before the first Forbes Four Hundred, but she was on this list until her death in 1984. Her cultural benefactions were imaginative: the Bronx Zoo's World of Birds building, fresh flowers weekly for the entrance of New York's Metropolitan Museum, refurbishing Claude Monet's gardens at Giverny, and many more.

Stanley Irving Stahl

Real estate. NYC. 67. Divorced, remarried; 1 son, 2 stepchildren. Son of Brooklyn butcher. NYU. Began as broker 1947, bought first Manhattan apartment building with commissions 1948; added more. Tough landlord. Staked everything 1962 to build 1.7-million-square-foot office building at 277 Park Avenue: "He didn't have any money at the time. It was all done with mirrors." Now backer Chemical Bank rents 800,000 sq. ft. But with Chemical-Manny Hanny merger, Chemical most likely won't be tenant after 1994. Also interest in several NYC office buildings, 3,000 apartments (not co-oping: "too much of a hassle"). Acquired Apple Bancorp Inc. for $121 million in hostile takeover. Estimated $350 million; spokesman claims $500 million.

Claude (Doc) Pennington and family

Oil, gas. Baton Rouge, La. 91. Married; only son killed in oil rig accident 1958, 3 grandchildren. Labored summers in Louisiana oilfields. Joined father's medical practice 1925 as optometrist; closed clinic day after father's death; returned to oilfields. On leased land, made first known oil discovery east of Atchafalaya River; founded Pennington Oil; traded leases, bought Port Hudson properties mid-1950s, began drilling 1970s. Local banks' favorite depositor: over $100 million. Nutrition enthusiast, donated $125 million to LSU for nutrition center; ardent believer in powers of peanut oil, vitamins E and C: "Someday I'm going to be an old man. I'd like for science to know how to prolong my health." Believed worth $350 million.

Alexis Felix du Pont Jr. Alice Francis du Pont Mills and families

Brother, sister. Children of A. Felix du Pont, distant cousin to Pierre, sided with him in family split 1915, rewarded with stake in family holding company Christiana Securities; died 1948. A. Felix Jr.: Wilmington, Del. 85. Divorced, remarried; 3 children by first wife, 1 by second. Alice (Mrs. James Paul Mills): Middleburg, Va. 78. Married, 3 children. Each branch has trusts, etc., believed worth $350 million or more. Third branch: widow, children of brother Richard, noted pilot killed in WWII glider crash. Widow Allaire successful horse breeder ("When you own a great horse, it

doesn't belong to you, it belongs to the public"); among first women admitted to Jockey Club 1983.

Joseph Dahr Jamail Jr.

"Sore-back lawyer." Houston. 65. Married, 3 sons. Started in D.A.'s office, then small law firm; formed own firm. Took up personal injury, got rich on "sore back" cases. Got far richer from 1987 Texaco-Pennzoil case (estimated $420 million fee, pretax): 1,500 calls next 3 days; now ratio of cases accepted 1 in 300. Self-described "goddamn good" lawyer; personal staff of 3 lawyers, 4 assistants, 4 secretaries. Settlements since 1987 worth about $73 million. Hands out $100 bills to Houston's homeless; but also unpublicized scholarships, grants. Investments in oil and gas, real estate. Reputation as hellraiser. Plans to "play a lot, practice a lot" this year. Visible assets worth estimated $350 million.

Howard Brighton Keck
William Myron Keck II

Superior Oil Co. Descendants of William M. Keck Sr., legendary wildcatter known to taste-test core samples; founded Superior Oil 1921. Pioneered offshore drilling in Venezuela, Louisiana; huge reserves, became largest independent oil company. Died 1964. Howard headed drilling and production, brother William Jr. posed as president, both fighting to succeed William Sr.: Dad picked Howard, Bill walked out in huff. Died 1982. Howard led company through ill-fated mining, timber, farming diversifications, refocused on oil 1976. Uncommunicative about corporate plans; alienated siblings and handpicked directors alike; forced off board during 1983 proxy fight. Upheaval facilitated $5.7 billion takeover by Mobil 1984. Howard: LA. 78. Heads Keck Foundation; financed $70 million Keck Observatory atop Hawaiian volcano, home to one of most powerful telescopes in world. Estimated worth $350 million. William II (William Jr.'s heir): LA. 49. Runs Coalinga oil company (Tex. and La. reserves some $40 million), worth $290 million.

James Donald Slavik ★ and family

W.W. Grainger. Irvine, Calif. 39. Married, children. Son of Elmer R. Slavik (d. 1987) who ran Mark IV Properties, a California-based real estate investment and development firm. Elmer became director W.W. Grainger, now a leading national electrical equipment distributor *(see Grainger)*, beginning 1948. James now president, director Mark IV, after working as real estate broker for Coldwell Banker 1983-87. Elected director of W.W. Grainger 1987, is member of audit and compensation committee. Also director of Mountain Capital Corp. With immediate family James controls Grainger stock recently worth some $350 million. Other relatives have nearly 2 million shares more.

William Shivers Morris III

Newspapers. Augusta, Ga. 57. Married, 3 children. Father rose from bookkeeper to sole owner Augusta Chronicle 1955. Expanded, passed to family after death 1967. "Billy" bought out brother, sister, mother after lengthy lawsuit; founded Morris Communications 1970. Brother Charles started noncompeting chain, but Billy's grew bigger: now 8 dailies, 6 weeklies, billboards, printing companies, etc. Gambled on highly leveraged $210 million purchase of Jacksonville papers 1982. Again 1985: large billboard firm, Naegele, for estimated $300 million. Fortune now estimated around $350 million.

William Lyon

Real estate. Coto de Caza, Calif. 69. Widowed, remarried; 5 children. Pilot age 16, served air force WWII, Korea; rose to 2-star general, awarded 17 combat decorations. Chief of Air Force Reserve 1975-79. In between, built homes with brother; chairman, CEO of William Lyon Co. 1954, provided inexpensive homes for first-time Calif. buyers; currently developing entire community in Rancho Cucamonga. With George Argyros *(which see)* 1981 bought control of ailing AirCal, restructured, sold for profit 1986. Recently hosted $100,000-per-couple luncheon to raise money for Reagan Library; owns over 60 classic cars. Fortune estimated $350 million.

Norton Clapp and family

Inheritance. Seattle. 85. Twice divorced, widowed, remarried; 6 sons (3 deceased), 5 stepchildren. Grandfather Matthew G. Norton cofounded lumber company to supply homesteaders; started Weyerhaeuser Co. with $1.2 million. Father Eben Clapp married 2 Norton daughters, making Norton Clapp principal heir, largest Weyerhaeuser shareholder. Law degree 1928; Navy WWII. Dabbled in law, real estate, into timber 1955. President Weyerhaeuser 1960-66; chairman to 1976. Stepson Booth Gardner, Wash. governor. Norton seen as reclusive Northwest power. Controls assets in lumber supply, seafood company, etc. Besides estimated $350-million-plus, interests in family trust believed to exceed $650 million.

Steven Paul Jobs

Computers. Palo Alto, Calif. 36. Married, 2 children. Adopted at birth. College dropout; traveled, brief stint with Atari. Looked up computer pal Stephen Wozniak, together designed Apple I 1976. Pair designed Apple II 1977; persuaded A. Markkula *(which see)* to help produce; Apple Computer

Bernard F. Brennan
In 1982 he joined Montgomery Ward, then owned by Mobil. In 1988 he could command a 27% share in its LBO. By 1990 he'd turned it around enough to join our list.

changed computer world forever. Recruited Chief Executive John Sculley, who shoved Jobs aside 1985. Jobs sold Apple stock for $133 million, started Next Computer, Inc. 1985 with $7 million; trying to get it right. In 1986 Jobs acquired Pixar, small computer animation firm George Lucas founded. Not profitable, but will produce 2 Disney animated features. Depending on Next, may be worth some $350 million.

Robert Drayton McLane Jr.

McLane Co. Temple, Tex. 55. Married, 2 sons. Grandfather opened store 1894. Wholesale business 1904. Young Drayton Jr. started in company 1959. President and CEO 1970. Expanded 1966. Innovative use of computers 1970s kept costs down, facilitated nationwide data processing system. Sold out to longtime business acquaintance Sam Walton, December 1990. "It made a lot of sense to merge, since they are moving to stock more groceries." Trade analysts expect Wal-Mart "to become one of the largest food retailers in U.S." McLane received some 5.6 million Wal-Mart shares plus cash. Active in Baptist church. Workaholic. "I get discouraged when the sun goes down." Shares plus cash worth estimated $345 million.

Max Martin Fisher

Oil, investments. Franklin, Mich.; NYC; Palm Beach. 83. Widowed, remarried; 5 children. Son of Russian immigrant peddler who built small oil reclaiming plant. Ohio State football scholarship. Joined dad 1930; raised money from gasoline broker friends for new refinery. Added gas stations. During 1930s oil glut, paid premium to Marathon Oil predecessor for priority service when supplies short. Tapped deal for big bucks in wartime 1940s, 1950s. Sold out to Marathon Oil for stock 1959; sold that 1982 for over $150 million. Also real estate, investments with pal Al Taubman *(which see)*. Big backer Israel, Republicans. "I pride myself on my humility." Net worth estimated at least $340 million.

UPI/Bettmann

Clayton Williams
Claytie made a Forbes Four Hundred pile in the 1970s oil boom, invested in Midland, Tex. real estate, and got slammed by the 1980s oil bust. He ran for governor but blew the women's vote with West Texas crudities.

Reginald F. Lewis ★

LBOs. NYC, East Hampton, Paris. 48. Married, 2 children. Harvard law school (1968). To top law firm; formed own firm 1972. To Wall Street 1983. With $1 million, $24 million loan, bought McCall Pattern Co. 1984. Made estimated $80 million on 1987 sale. Met Mike Milken. Engineered 1987, $985 million buyout from Kohlberg Kravis Roberts of food giant Beatrice International. Got 47%. Sales now $1.5 billion, paid debt down hard. Reported $17 million from salary and return on capital for preferred stock, but 1990 net earnings $46 million. Active in Democratic politics. Francophile. Cigar lover. Collects French surrealists, African-American paintings. "The word 'no' is not in his vocabulary." Estimated net worth $340 million.

Phillip Frost

Medicine. Miami Beach. 54. Married. U. of Pennsylvania, Albert Einstein College of Medicine. Dermatologist by trade, invented disposable instrument for taking biopsies. Took over failing Key Pharmaceuticals 1971, turned around; developed new delivery systems for old drugs to hospitals. Sold to Schering-Plough 1986; believed to hold some 3.4 million shares. Promptly founded IVAX to get into real big time: develop and market the drugs. Not waiting for research to pay off; acquired small companies, rights for salable drugs to generate immediate revenues. Also many small investments. "He likes to be a catalyst for deals." Recently acquired U.K.'s Harris Pharmaceuticals. Active civic, philanthropic organizations. Believed worth well over $340 million.

Eli Broad

Kaufman & Broad, Broad Inc. LA. 58. Married, 2 children. Built first houses (with partner Don Kaufman) on in-laws' $25,000 loan 1957. Rapid growth to 1973. Broad's two golden housing markets: California, France (largest builder in Paris area). Added insurance to hedge real estate cycles; spun off Broad Inc. 1989, now buying struggling financial services companies, e.g., Integrated Resources; plans single-premium-annuity giant. Developing 3,500-acre Stanford Ranch planned community outside Sacramento, Calif. Collects contemporary art; LBO investor; gave $20 million to Michigan State M.B.A. program. "Eli is a pleasant man, but he is the type of guy who will clean your clock in a business deal." Believed worth over $335 million.

Solomon Price

Price Co. La Jolla, Calif. 75. Married, 2 sons. Practiced law 17 years; quit 1955 to launch Fed-Mart Corp., mass merchandiser, pioneered house brands and "one-stop shopping" concepts. Sold out 1975 to Hugo Mann, German billionaire. Founded Price Co. 1976, created warehouse membership store with son Robert; took public 1980. Since then, copycats, especially Sam Walton's *(which see)* Wholesale Clubs, soaked up some market share. But on sales per store,

profit margin, Price still on top. With about 70 stores U.S., Canada, Robert, CEO, says now looking at Mexico. Sol's stock, other assets recently worth over $335 million.

Dwayne Orville Andreas and family

Archer Daniels Midland. Bal Harbour, Fla. Divorced, remarried; 3 children. Shelved plans for ministry, dropped out of Wheaton College to join family grain business. Sold some assets to Cargill, millionaire at 27. Bought into ADM, soybean processor, corn refiner and flour miller 1965. Chairman 1970, CEO 1972; became largest U.S. agricultural processor ("It grew up under me"). Noting gasoline price vulnerability in Persian Gulf war, Andreas points to ethanol, more costly but less polluting fuel distillable from cornstarch. Donor, political ally to Democrats, Republicans. Former Vice President Hubert Humphrey was godfather to son Michael (Mick), now executive vice president. With son, has shares recently worth $335 million.

Patrick George Ryan

Insurance. Chicago. 54. Married, 3 sons. To Northwestern on football scholarship, then sought an insurance career after reading about agents with six-figure incomes. Did stint as Penn Mutual salesman, set off in new direction: selling casualty insurance through car dealers. Went public in 1972, merged with pal W. Clement Stone's Combined International and got 11% chunk. Became chief executive officer, president, renamed firm Aon Corp. (Gaelic for "unity") 1987. "Selling is not a lot of talking. If you listen, people will tell you what they want and what's bothering them about what you have." With wife Shirley, Ryan is well known in Chicago's social scene. "They think they're the Kennedys." Shares are worth $330 million.

Anne Burnett Sowell Marion

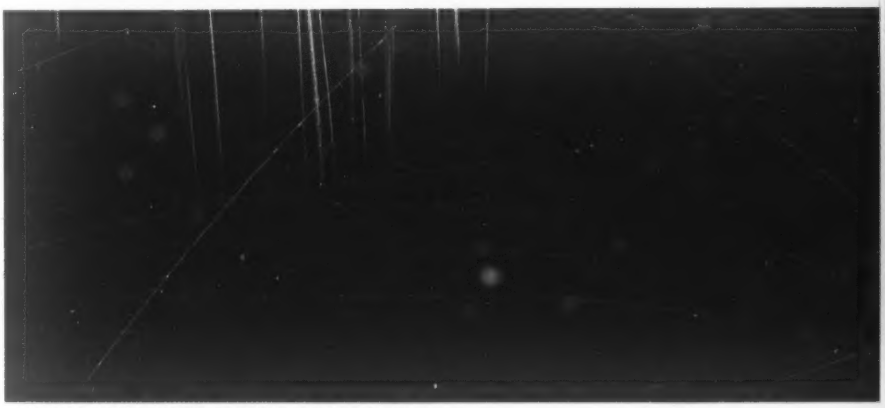
Inheritance. Fort Worth, NYC. 52. Thrice divorced, remarried (to Sotheby Chairman John Marion); 1 daughter. Legend: great-grandfather Burk Burnett won family ranch, the 6666, in poker game. Eventually amassed 448,000 acres, mostly West Texas; found big oil on 6666; left Anne's mom, "Big Anne," heiress. She loved weddings as much as oil: married 4 times (twice widowed, twice divorced), lastly to Charles Tandy, the founder of Tandy Corp. But kept wells pumping. Left to daughter, "Little Anne," the product of second marriage. Keeps the Burnett traditions, quietly collects land, oil royalties, art and husbands; avid hunter quail and doves. Directs the $190 million Tandy Foundation. Estimated to be worth at least $330 million.

Kenneth Eugene Behring

Developer. Blackhawk, Calif. 63. Married; 5 sons, all in business. U. of Wisconsin dropout: football knee injury. Leased gravel lot for $15/month, bought 27 used cars for $900; later pushed new Lincoln Mercuries. Switched to buying, developing Florida land. Went west 1972: 3,300-unit development California; new 5,000-acre site near Seattle; al-

Our hotel will do nothing to dispel

the myth that Los Angeles is the land of fantasy.



PLUMAGE, BOB MACKIE. SETTING, THE REGENT.

AUCKLAND. BANGKOK. BEVERLY HILLS. FIJI. HONG KONG. KUALA

Roger Ressmeyer/The Houston Post

Carolyn and Harold Farb
When the Houston developer split from her in 1983, he was on our list and she got a $20 million settlement. Now she is a local patron of the arts. Harold, since twice married, is trying for a comeback.

ready, environmental protests. Owner 75% Seattle (football) Seahawks. Built $10 million museum to house "world class" car collection, donated to U. of California, Berkeley; building museum to inspire excellence in schoolchildren via guest speakers, cable hookups to schools. Behring's wealth estimated at least $330 million: "You can't underestimate the value of luck."

Peter Jay Sharp

Real estate. NYC. 61. Widowed, 3 children. Father successful real estate developer, owned parts of 22 hotels; built NYC's Volney, Stanhope, where Peter grew up. Father died young 1941. Interior decorator wife took over, passed to Peter intense and fastidious approach to hotel business. After Princeton, Peter argued with mother, struck out on own. Assembled own real estate empire: Manhattan office buildings, apartments; picked up Carlyle Hotel for $16 million 1967, co-oped over half. Considered finest New York hotel, but maybe not by old money: devoted to pampering new rich, First Ladies,

The Regent Beverly Wilshire takes opulence beyond extravagance. The same could be said of some of our guests.

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rock stars: "Our clientele does not take taxis." Net worth estimated some $330 million.

Roy Sakioka and family ★

Real estate. Costa Mesa, Calif. 92. Married, 6 children. Very low profile. Youngest of 6, emigrated from Japan 1916; eventually naturalized. Tenant farmer, interned WWII with other Japanese-Americans. Tired of rent, started buying farmland 1946: low down payment, worked off mortgages. Found genius for picking locations, canny at getting good prices, mostly through 1950s. Also selling, when California development reached his fields. First LA area, then Orange County. Bought new land, or swapped up. Today still calls shots: over 240 acres Orange County, some worth $1 million each; 2,600 agricultural, industrial and commercial acres Ventura county. Virtually no debt. Estimated worth at least $325 million, with family.

Hugh Franklin Culverhouse

Real estate, banking, sports. Tampa. 72. Married, 2 children. Son of coal mining engineer, boxer at U. of Alabama; sparred with George Wallace. IRS prosecutor, became premier tax attorney Florida—Richard Nixon, Bebe Rebozo clients. Bought 13,000 acres Sarasota, called Palmer Ranch, 1970; sold about half to Coast Federal S&L for $35 million 1981. Now owns Coast Bank 100%. Has ventures in citrus groves, other housing developments. Owns Tampa Bay (football) Buccaneers; influential in league. Recently underwent surgery for lung tumors. Four days out of hospital went hunting in Tanzania: Bagged kudu from over 250 yards. "It was one of the biggest my guide had ever seen." Fortune estimated at $325 million.

Clemmie Dixon Spangler Jr. and family

Investments. Chapel Hill, N.C. 59. Married, 2 daughters. Father, farm boy, took construction job; learned business. Built homes, apts., motels, construction company. "Dick" Jr. became president of C.D. Spangler Construction Co. 1960. Built, owned Golden Eagle motel chain 1960s; sold 1970s, 1980s; proceeds bought estimated 2-million-plus shares RJR prior to 1989 buyout. Suing because some shares sold while LBO plan "fraudulently" concealed. Sold bank started by his father to NCNB 1982, acquired more NCNB; now controls 8 million shares, gave board seat to wife. Lifelong interest in desegregation while on school board; president U. of N.C. 1986. Controls fortune estimated at least $325 million.

Sydney Mark Taper

First Charter Financial. Beverly Hills. 90. Widowed, 3 children. Born in Warsaw, educated England. As child, peddled candy to schoolmates. Bought residential real estate firm at 27, built homes in England during Depression, retired by 37. Arrived in California 1939 to avoid WWII, with about $1.5 million, real estate skills. During war built GI housing, later dropped out of business again. But as California economy boomed, bought into S&Ls: founded First Charter S&L 1955; took public 1959. Closely controlled by tight-fisted Taper, company grew to third-largest U.S. thrift. Merged with Financial Corp. of America 1983. Taper cashed out; now managing personal investments believed worth over $325 million.

Grover Connell

Equipment leasing, food. Westfield, N.J. 73. Married, 3 children. Navy WWII. Took over family business, Connell Rice & Sugar, built into largest U.S. independent rice and sugar trader/broker. Once dominated foreign aid rice exports; U.S. export share now estimated 20%. Equipment leasing business from 1973 (railroad equipment, aircraft, power plants); now over $1.2 billion assets. Also owns prime N.J. real estate just outside Manhattan. Well-connected Democrat; reputation as one of nation's largest donors of politicians' speaking honoraria. Charges of illegal activities with Korean wheeler-dealer Tong-Sun Park dropped 1979. Lives modestly, sent kids to public school. Fortune estimated $325 million.

Cyril Wagner Jr. Jack E. Brown

Partners. Oil, investments. Midland, Tex. Wagner: 57. Divorced, remarried; 5 children. Brown: 66. Married, 3 children. Geologist Wagner and engineer Brown formed oil and gas partnership Wagner & Brown 1962. Built up oil reserves using complementary backgrounds. Predicted oil collapse, diversified into plastic manufacturing and equipment early 1980s. With T. Boone Pickens made failed Gulf bid 1984, but $70 million profit. Also took runs at Unocal, Phillips Petroleum. Formed Desert Partners 1986, failed acquisition of USG Corp.: Bought Insilco Corp. 1988 for $813 million. Now in Chapter 11. "They go hunting together, they get drunk together." Highly secretive. Joint net worth estimated at $650 million.

Fayez Shalaby Sarofim

Money management. Houston. 62. Divorced, remarried; 5 children. Egyptian-born son of wealthy landowner; Harvard Business grad, naturalized 1961. Joined Anderson Clayton 1951 managing pension funds; helped manage company's own employee pension fund. Launched Fayez Sarofim & Co. 1958 with $100,000 from father; gained clout hooking client Rice U. Dubbed "The Sphinx" for stock market wisdom; now manages some $23 billion. Bullish: thinks Dow Jones Industrial Average can hit 10,000 by 1995; favors consumer products franchises: Procter & Gamble, Coca-Cola, Philip Morris. Early investor Teledyne with George Kozmetsky, Henry Singleton. After divorce, his 70% of firm Fayez Sarofim & Co., large personal portfolio believed worth at least $320 million.

Robert Allen Naify

Movie theaters, cable TV. San Francisco. 69. Married, 6 children. Son of Lebanese immigrant who began in Atlantic City movie theater 1912, moved to California; founded United Theater chain 1920s. Acquired half United Artists Theater circuit 1950. Robert, brother Marshall began as ushers, projectionists. Merged other

50% in 1963; Naify brothers took control. Sold out to Tele-Communications Inc. 1986 for rights to 14 million shares, $150 million cash. TCI now largest U.S. cable operator, owns 56% United Artists Entertainment. Reclusive Robert ran company day-to-day. Now president Todd-AO. His stock recently worth about $320 million.

William Robert Berkley

Insurance, food processing. Greenwich, Conn. 45. Married, 3 children. Father died when Berkley 11: "Went from upper middle class to poor"; recruited kids to mow lawns, delivered superior service. At age 12, bought shares of Decca Records, stock tripled: "I was sure it was an easy game"; at 15, called Chrysler chairman with queries before buying: "Boy, did I get in trouble with my mother—it was a big phone bill." Whiz kid at Harvard Business School; Wall Street "gunslinger," managed over $25 million for clients at 23. Quit early 1970s to buy unpopular companies in fragmented industries: specialty insurance, food distribution, fire protection. "The measure of a person is what they do. Words are cheap." Estimated worth over $320 million.

Richard E. Jacobs

Shopping centers. Lakewood, Ohio; NYC. 66. Divorced, 3 children. Raised Akron, father sold Goodyear blimps. Dick and his brother Dave sold real estate after World War II; assembled sites for then fledgling mall developer Edward DeBartolo *(which see)*. With partner Dominic Visconsi, built own mall Columbus, Ohio 1962; now over 40 malls, more than 40 million square feet nationwide. Visconsi is still financially involved. Dick is the driving force, dealmaker; Dave handles architecture, construction, has minority position. Also 27 Wendy's franchises, Marriott hotels, Cleveland (baseball) Indians. Major partner Dick's net worth is estimated at $320 million.

A. Donald McCulloch Jr.

Dieting. Blue Bell, Pa. 44. Married, 2 sons. Born Boston; age 8 when father died; raised by schoolteacher mother. Academic scholarship Harvard, M.B.A. Career in corporate marketing, turnarounds. Hired as chief executive of struggling Nutri/System diet center 1985: "They were so hungry for leadership that I got a standing ovation." In 1986, with 3 partners, bought out founder in $70 million leveraged buyout on $10,000 cash, $2 million in home mortgages. By 1989 revenues $251 million. But since then, many lawsuits filed claiming gallbladder damage. Much adverse publicity; company's then number one franchisee, Keegan Management, sold nearly all its centers. Entire diet industry took a beating. McCulloch's 74.5% now estimated worth $320 million.

B. Francis Saul II

Banking, real estate. Chevy Chase, Md. 59. Married, 5 children. Heir to Washington, D.C. real estate company founded by grandfather 1892. Formed B.F. Saul Real Estate Investment Trust 1964; took private 1988, rough years since. Started Chevy Chase Federal Savings Bank in trailer (still in place) at shopping center 1969; now one of largest consumer banks in Maryland, holding own in troubled industry. Two sons should be fourth generation in family business, although one is facing insider trading charges, trial pending. Owns at least a dozen real estate, financial service operations. Philosophy: "Be conservative; build long-term values. I'm not a trader." Stays well out of the public eye. Fortune estimated at $315 million.

Jacob Sumaloy

Donald Trump
Once our brattiest billionaire, now off our list. Trump continues to put fancy (and, in this market, fanciful) values on his real estate and casino assets, but the cash flows still aren't covering his interest costs.

Saul Philip Steinberg

Financier. NYC. 52. Twice divorced, remarried; 6 children. Finished Wharton in three years, age 19. Founded computer leasing firm 1961 with father's $25,000; went public 1965; gained control of Reliance Insurance 1968. Failed run at Chemical Bank 1969. Took Reliance private 1982 for $550 million, public again 1986. Played junk bond market mid-1980s; Reliance sold Days Inns interests 1989 for $765 million. Has over 43% Reliance, with members of family, trust, 79%; he, relatives paid millions. Sizable art collection featuring Old Masters; hefty charitable contributions. Active in the New York City social whirl. Estimated net worth at least $315 million.

Floyd Dewey Gottwald Jr.
Bruce Cobb Gottwald

Brothers. Ethyl Corp. Richmond, Va. Floyd Jr.: 69. Married, 3 sons. Bruce: 58. Married, 3 sons. Both attended Virginia Military Institute. Sons of Floyd Sr. (d. 1982) who climbed ladder from office clerk 1918 to president Albemarle Paper Manufacturing 1941. After 1962 merger with Ethyl, Floyd Sr. sold paper outfit for $55 million 1968. Ethyl's main product, gasoline antiknock compound TEL, contained lead, ran afoul of the Environmental Protection Agency. Sons adapted; diversified into aluminum, plastics, insurance, pharmaceuticals. Now leading U.S. producer pain reliever ibuprofen (Nuprin); contains no lead. Spun off aluminum, plastics, energy divisions into Tredegar Industries 1989, headed by Floyd Jr.'s son John. Floyd Jr., chairman 1968, CEO 1970; Bruce, president 1969. Last year sales of $2.5 billion. Brothers' 19% of Ethyl (Tredegar holdings minor) worth some $630 million.

M. Larry Lawrence

Real estate. Coronado, Calif. 65. Three times divorced, remarried; 3 children. Chicago-born. Poor, slept on bed in living room. "I never knew anyone who lived in a single-family home until I went to college." Worked in deli age 9. Played pro football, worked as carpenter; started building homes. To San Diego 1951. Bought run-down Hotel del Coronado to get land 1963; cost under $10 million. Thought about demolition, reconsidered. Over 10 years poured $100 million into hotel repairs. Now principal asset, estimated worth over $200 million. Also owns office buildings, construction company. Active in stock market. Deal junkie. Liberal Democrat. Net worth estimated around $315 million.

Robert J. Congel

Shopping malls. Fayetteville, N.Y. 56. Married, 5 children. Son of Syracuse construction superintendent. Fordham degree 1958, then won $13,000 water pollution control contract; dug cellars a.m., laid pipe p.m. First shopping center 1973. Now majority partner Pyramid Co., largest mall builder in Northeast. Tough: may kick out tenants who fail to meet sales targets. Fights politicians, environmentalists, local merchants to build; usually wins. Bought Bonwit Teller last year as name anchor tenant. Rumored to own vast amount of office space, too. Wife, children share trusts, active in company. Congel demurs: "I don't hardly own anything." "Hardly anything" worth estimated $310 million.

John Johnson
The legendary entrepreneur hocked his mother's furniture to start Negro Digest in 1942, added Ebony, Jet; later, cosmetics. In 1985 he started Ebony Man (circ. 270,000). In the crowded male segment, it has held on despite today's ad drought.

Robert Charles Joseph Edward Sabatini Guccione

Publishing. NYC. 59. Twice divorced, remarried; 5 children. Brooklyn-born accountant's son. At 18, traveled Europe drawing portraits, telling fortunes. With few thousand from father, started U.K. mail-order sales of U.S. girlie magazines, pinups. Evolved Penthouse idea: grittier, more pubic, more European. Launched London 1965; U.S. 1969. Later, Omni, Longevity, Four Wheeler; bought Saturday Review, Compute!, 3 automotive trade magazines. Will bring Penthouse to Turkey, Japan in fall; Poland soon after. Bought impressionists: estimated $70

Barbara Piasecka and J. Seward Johnson in the Bahamas **After 12 years of marriage to his former upstairs maid, he would die in 1983, leaving her Johnson & Johnson stock that would today be worth nearly $1 billion.**

million. Extravagant New York City town house (silver-lined swimming pool); 67-acre estate; Atlantic City holdings. Estimated worth around $310 million.

Ernest Gallo
Julio Gallo

Brothers. Wine. Modesto, Calif. Ernest, 82; Julio, 81. Each married, 2 children. Italian immigrant father Joseph bought 230-acre Modesto vineyard 1930s; despondent over Depression and ill health, shot and killed wife, self. Six weeks later sons went to local public library, read winemaking pamphlets, started pressing with $6,500; keeping labor in the family, able to sell wine 1933 at 50 cents per gallon; later, gained significant market advantage with vertical integration. Chairman Ernest stormed distributors with Gallo products, considered marketing genius. Thunderbird first major success: connoisseurs reject, winos don't. Constant effort since to upgrade product image: recently withdrew "fortified" wines (Thunderbird, Night Train Express) from many stores nationwide. Sued younger brother Joseph, dairy farmer, for putting family name on his cheese; Joe countersued for third of winery, lost both fights. Julio still runs the lab, Ernest the office ("I have no better place to go"), but winery now directed by duo's 4 children. Gallo gaining share in premium wines, brandy. Brothers jointly own company estimated worth at least $600 million. Ernest believed to have large personal stock portfolio.

Robert Boisseau Pamplin Sr.

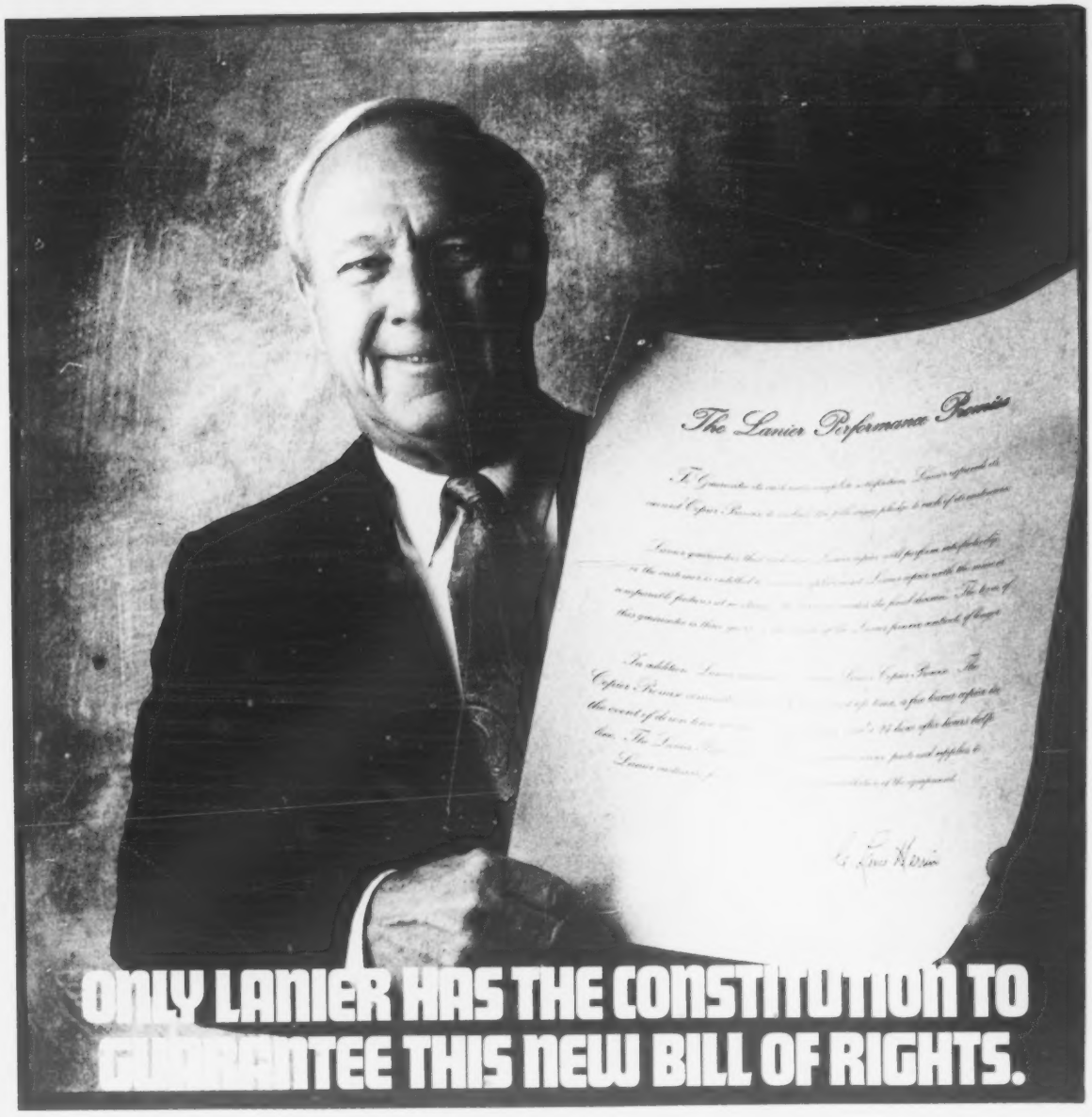
Textiles. Portland, Ore. 79. Married, 1 son. Raised penniless; mother made clothes from sugar sacks. Rose to CEO of Georgia-Pacific. On day of mandatory retirement bought tiny Ross Island Sand & Gravel—base for today's $463 million (sales) R.B. Pamplin Corp. with 16 textile mills: "It's not that we were interested in textiles, it's that they were more undervalued than anything else." Also real estate. Son Robert Jr., author, holds 8 degrees (Ph.D.s: theology, business), preaches cross-country, gave speech at Pentagon on ethics. Father, son avid hunters. With son, fortune estimated $300 million. "It's just a lot of fun and the good Lord has been very rewarding to us."

Malcolm Austin Borg

Publishing, TV. Englewood and Spring Lake, N.J. 53. Married, 3 children. Grandfather John wealthy Wall St. stockbroker, bought into Bergen County (N.J.) Record 1922; wholly owned by family since 1930. Considered best-written paper in state: "You can't have quality without putting money into it." From small country daily to suburban powerhouse (Sunday circ., 240,000). Malcolm took over 1971; brother sold out amicably 1982. Macromedia Inc. also owns Woodbridge (N.J.) News-Tribune and 4 TV stations. Son John, 29, chief operating officer for the Hong Kong Standard; probable successor to newspapers; Jennifer, 26, NYC attorney; Stephen, 23, learning about TV. Fortune estimated at $300 million.

Marshall Edison (Doc) Rinker Sr. and family

Concrete. Palm Beach. 86. Widowed, remarried; 3 sons. Nicknamed "Doc" after close family doctor; arrived Florida in Model T 1925 "flat broke." Founded Rinker Rock & Sand Co. 1926. Lifelong devotion to work: 12-



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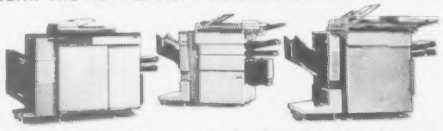

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on Kinloch Farms, uses family name. Each sibling estimated $300 million or more.

James Emmett Evans

Citrus. Dade City, Fla.; Highlands, N.C. 91. Widowed, divorced; 2 children. Former Georgia Ford salesman, went to Florida with $500. Purchased first orange grove mid-1920s; became mayor Auburndale 1925. Since, minded business: built to over 33,000 acres orange, grapefruit groves; one of largest independent growers. All oranges to Tropicana, most grapefruit to Japan. "Older than dirt and meaner than a snake." Nicknamed "The Wheel," as in wheeling and dealing, (used to track commodities market); still hard at work: "I'm not old enough to retire." Both children, 2 grandsons active in business. Gave up golf, plays gin rummy at his house with same card-playing pals for 40 years. Profits up, groves alone estimated over $300 million. Gin winnings unknown.

Richard Jerome O'Neill Alice O'Neill Avery and family

Brother and sister. Inheritance, real estate. Grandfather Richard O'Neill left cattle business in Ireland to manage friend's vast southern California ranch in exchange for half the land. Grandchildren inherited 52,000 acres 1943, sold parcels steadily. Developed 10,000-acre Mission Viejo tract mid-1960s with Donald Bren *(which see)*, later purchased by Philip Morris for $72 million. Currently developing 5,000-acre planned community Rancho Santa Margarita, Orange County, headed by Alice's son Anthony Moiso. Richard: San Juan Capistrano, Calif. 68. Married, no children. "Uncle Dick" known for sloppy appearance, penchant for mismatched socks. Ranching interests Mexico, Nicaragua; also Calif. restaurants: "I don't like sure things, money in the bank; money in trusts drives me nuts." State Democratic heavyweight. Alice: Los Angeles. 74. Divorced, widowed; 3 sons, 7 grandchildren. Dick and Alice, family share ranch, other investments estimated over $600 million.

Willis Harrington du Pont Edith du Pont Pearson and families

Inheritance. Surviving children Lammot du Pont (brother and key associate of Pierre, *see family*), president Du Pont Co. 1926-40, chairman 1940-48; d. 1952. Edith (Mrs. George Burton Pearson Jr.): Montchanin, Del. 79. Widowed, remarried; 5 children by first marriage. Husband retired Delaware judge. Willis: Palm Beach, Fla. 55. Married, 3 children. Son of Lammot's fourth wife (other siblings by first). Citrus, banking investments in Florida. Brother Pierre S. du Pont III (d. 1988) lost small fortune backing movies, was father of Pierre S. IV, former governor of Delaware, onetime presidential candidate. Edith, Willis, with families, share fortune believed to exceed $600 million.

Jack Monteith Berry Sr. and family

Citrus. Winter Haven, Fla.; Blowing Rock, N.C. 74. Married; son, 2 daughters. Berry Sr. left native Tennessee to seek success in New York 1939, took course to lose accent. Became fruit broker, by age 30 had own company. In 1950s supermarkets bypassed brokers; Berry moved to Florida, grew citrus. In 1960 planted 6,000 acres; now one of last, largest independents: over 20,000 acres mostly south of freeze zone; also 3 plastics plants, box plant. Claimed too-low FORBES estimate hindered his efforts to sell company at good price. Recently handed over portions of citrus business, some real estate to son Jack Jr. and daughter Ruth. Still largely in charge. Combined wealth estimated over $300 million.

August Christopher Meyer

Broadcasting. Champaign, Ill. 90. Widowed, 1 son in business. Was successful lawyer in hometown Champaign. Invested in local TV station 1953. "We started out losing money. I had to get more involved than I intended to." Bought San Diego TV station 1964 for $11 million. Now Midwest Television: 3 TV, 4 radio, practically debt-free. Chairman family-controlled Bank of Illinois. "Finish each transaction as if you expected to do business with that person again tomorrow." Son August Jr. (Chris) running stations since 1976; Sr. still semiactive chairman. Media properties down in value, but still believed to be worth some $300 million.

Stanley Stub Hubbard

Broadcasting. St. Mary's Point, Minn. 58. Married, 5 children. Father Stanley Eugene, 94, founded first (but unsuccessful) U.S. commercial airline. Built one of Minneapolis' first radio stations 1923 (WAMD—"Where All Minneapolis Dances"), added television 1948. Business grew steadily. Stanley Stub took over after dad's stroke, 1981. Now 9 TV, 2 radio. "We are moving ahead." Getting into direct broadcast satellite TV: direct satellite feeds to homes, using 18-inch dishes costing $300 to $700. Conus satellite news service with at least 135 member stations. Invested $100 million in All News Channel joint venture with Viacom; Also Sky Channel (doing poorly.) "I'm always working, always on the phone." Estimated $300 million.

Orvon Gene Autry

Broadcasting, baseball. L.A. 84. Widowed, remarried; childless. Raised on Oklahoma ranch, a "barefoot cotton-chopping farmboy." Worked as telegraph operator, railroad worker. Discovered by Will Rogers while playing guitar on railroad depot: "Boy, you pick good." Became "Oklahoma's yodeling cowboy." Went Hollywood; only person with 5 stars on Walk of Fame: movies, TV, radio, recordings, personal appearances. Bought first radio station 1952, sold 7 radio, TV stations 1982-83; still has 4 radio. Bought Calif. (baseball) Angels 1961 cheap. Also securities, real estate, Palm Springs hotel. Estimated worth some $300 million.

Michael Dell ★

Computers. Austin, Tex. 26. Married. As teenager, ran stamp and coin auctions on weekends, earned thou-

sands selling newspaper subscriptions to newlyweds. Began U. of Texas premed; sidetracked selling computers out of dorm room; dropped out sophomore year, confident he could make $1 million a month dealing IBM-compatible systems directly to end users at bargain prices. Privately financed Dell Computers 1987; first public offering 1988, second early 1991 with eye to international expansion. Normal distribution channels baffled by Dell's telemarket approach. "If you were writing a book on my company, you would only be on page four." His stock recently worth $300 million.

Richard Palmer Kaleioku Smart

Inheritance, ranching. Honolulu and Waimea, Hawaii. 78. Divorced, 2 sons. Heir of John Palmer Parker, New England seaman who jumped ship 1809 to Hawaii's big island. Hired by King Kamehameha to kill island's unruly "wild" cattle. Got along well with king; married his granddaughter Keliikipikaneokaolokaha (later known as Rachel); received small land grant. Built into famous Parker Ranch: today 211,000 acres; 50,000 (domesticated) cattle. Descendent Richard, after 25-year, moderately successful theater career, took over 1959. Collects impressionist paintings and sculptures from Ming and T'ang dynasties. Fortune estimated worth at least $300 million.

Joseph Alexander Hardy III and family

Building supplies. Farmington, Pa. 68. Married, 5 children. Left father's jewelry store, started building supplies outlet 1952 with two brothers, Ryan Homes founder Ed Ryan. Split 1957 to build 84 Lumber Co.; retail yard, originally serviced do-it-yourselfers, cut-price cash-and-carry, low overhead; now 360 dimly lit, unheated stores. Transferred 40% to daughter Maggie, 25, with whom operates Nemacolin Woodlands, posh Pa. resort/spa/conference center. Often at Christie's auctions; also collects Stanley Steamers. "I'm not immortal, but I plan like I'm 30." Bought British title 1990. Lord of the Manor of Henley-in-Arden estimated worth over $300 million.

Robert Einar Petersen

Publishing. Beverly Hills. 65. Married. Son of Calif. auto mechanic; worked as short-order cook, pumped gas; was movie studio publicist. Turned hobby into magazine with $400 and partner: hawked Hot Rod for 25 cents at races 1948. Bought out partner 1950, expanded. Petersen Publishing now 16 monthlies (e.g., Motor Trend, Guns & Ammo, Skin Diver), 7 bimonthlies. Bought Sport magazine 1988. First man to kill polar bear with revolver, 1965. "It was shoot or be fatally mangled." Pursues what his magazines cover "except for Teen." "We're a good medium for a lot of what advertising is—beer, cigarettes, cars, all those good things." Also good for over $300 million.

Generoso Pope Jr.

His death in 1988 started a frenzy among publishers hoping to buy his National Enquirer, which he bought for a song in 1952 and shrewdly edited into the archetypal blue- and pink-collar, checkout-counter tabloid. Winning bid: $412.5 million, from McFadden Holdings Inc.

Virginia McKnight Binger

Inheritance. Wayzata, Minn. 75. Married, 3 children. Only child of William McKnight, South Dakota farm boy who climbed then-tiny 3M's corporate ladder from bookkeeper, 1907, to head company; died 1978, left $500 million fortune to foundation, daughter. Virginia honorary chairwoman of nearly $1 billion McKnight Foundation, has own foundation, VMB, for Minneapolis poor. With husband James (former Honeywell CEO), runs Broadway's Jujamcyn Theatre chain (now showing *The Secret Garden*, etc.). Tartan horse farm, Florida, to become golf course, condos. "Every day is different because I have so many interests." Her 3M stock, etc., worth more than $300 million.

Gary Campbell Comer

Lands' End. Chicago. 63. Married, 2 children. Avid sailor, competed 1968 Olympic trials. Skipped college. Award-winning copywriter Young & Rubicam 1952-62. Started Lands' End 1963 as sailing equipment com-

pany. Typo in first brochure, hence apostrophe in company name on wrong side of the "s." But turned a profit in 3 years; kept apostrophe. Customers began to demand clothing; dropped boat hardware 1977. Took public 1986. Now offers high-quality merchandise through mail-order catalogs (1990 sales, $604 million); mailing list 12.5 million. Company dogged with inventory overstocks; 3 specialty catalogs started last year. Rise in stock returns him to this list; estimated $300 million.

Louis Thalheimer
Ruth Blaustein Rosenberg and family

Inheritance. Baltimore. Heirs of Lithuanian immigrant Louis Blaustein (1869-1937), who invented predecessor of modern RR tank car; only son, Jacob (d. 1970), pioneered metered gas pump, drive-in stations, antiknock gasoline. Family company, American Oil, merged with Standard Oil of Indiana for 5.25 million shares, (now estimated 16.7 million shares). Part-time diplomat: convinced U.N. conferees to accept human rights provisions 1945. Jacob's son Morton died December 1990, choked while eating. Wife, daughters, etc. likely inherited estate worth $600 million or more. Jacob's sister Ruth: 92. Widowed, 3 children. Peabody Conservatory of Music $3 million pledge on her behalf. Her portion estimated $300 million. Her only son, Henry Jr.: 61. Divorced, remarried; 3 children. CEO and president family-controlled Crown Central Petroleum, votes most shares. Louis (grandson of Jacob's deceased second sister Fanny): 47. Married, 3 children. Sports lover; CEO and president of family company, Atapco. Controls interest estimated at least $300 million.

Viola Sommer

Inheritance. Great Neck, N.Y. Late 60s. Widowed, 3 children. In 1930s, 1940s, husband Sigmund Sommer built small apartment buildings Brooklyn, single-family homes N.J. By mid-1970s, shopping malls, huge luxury apartment buildings. Owned top Thoroughbred money-winner 1971-72 and died of heart attack at racetrack 1979. Lawsuits over estate say lawyers sold real estate worth $100 million for $10 million, took huge fees, interest-free loans. Heirs obliged to pay $430,000 legal fees to attorney they have tried to fire since 1989; judge deliberating on another $170,000. Appeals pending. Net worth believed over $300 million anyway.

Michael Robert Forman

Real estate, movie theaters. 56. Bel Air, Calif. Divorced, remarried; 2 sons, daughter from first marriage. Father started drive-in empire 1940s, bought vacant land for theaters near soon-to-be-completed Los Angeles freeways: land eventually perfect sites for shopping centers, etc., appreciated several hundredfold. Later expanded into walk-in theaters around California, elsewhere. Died 1981. Son Michael, very private, reportedly philanthropic, passed active management of family fortune to no-holds-barred money manager Jim Cotter. With Cotter's canny investments, occasional takeover bids, Forman believed worth over $300 million.

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Marc Rich
He started the 1980s fighting his former employer, Phibro. Now he's starting the 1990s owning it. The consummate middleman, Rich is wanted on criminal tax evasion charges, yet counts among customers for his metals the U.S. Mint.

William Edward Simon

LBOs. New Vernon, N.J. 63. Married, 7 children. After Lafayette College, traded munis on Wall Street; later was head government trader for Salomon: "Don't try to get intellectual when you're in the marketplace. Just trade." Treasury Secretary under Ford: "Government is a menace." Pioneer LBO firm with Ray Chambers, 1981-86; bought underpriced cash-rich companies in mature industries. Partnership split; soon teamed with Gerald Parsky (LA lawyer) as WSGP International to invest in Pacific Basin. Duo still recovering from shaky start in S&Ls—hit hard when government altered capital requirements. Recently sold healthy Honfed Savings for big profit, though. Opened muni firm near New Jersey home 1990 with personal $10 million; believed still worth $300 million.

Burton Paul Resnick

Real estate. NYC and Rye, N.Y. 54. Married, 3 children. Late father, Jack, started small Bronx construction firm 1928; built in Manhattan 1950s. Burt joined Jack Resnick & Sons after U. of

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Chicago 1956; developed residential projects; still has 1,200 Manhattan apartments; frequently partners with Arthur Belfer *(which see)*. After 1970s real estate crash, bought older Manhattan buildings, built others; last year bought 70-year leasehold on elegant (but in need of rehab) 40 Wall Street for $77 million from the estate of Ferdinand Marcos. Still controls some 6 million square feet NYC office space. Burt runs show estimated over $300 million.

Jack Parker

Real estate, NYC; Boca Raton, Fla. 76. Married, 2 children. Former lumber salesman who went into business 1946, sold out 1954 to retire—stood it all of three weeks. Major developer NYC's borough of Queens 1950s; then in Manhattan, New Jersey, Florida. Earned estimated $150 million co-oping, invested in suburban office/hotel projects. Built NYC's Parker Meridien Hotel 1981. Grandson Adam Glick heir apparent. Parker's philosophy: Build lots of small projects instead of one big one (not counting Meridien). "We'd rather make a small profit than take a big loss." Now, "I'm trying to find something to do with my money." But with real estate in decline, his fortune estimated $300 million.

John Quentin Hammons

Hotels. Springfield, Mo. 69. Married, no children. Taught school, worked on Alaskan highway; WWII Navy. Postwar began concrete products business; went bust 1948, leaving Hammons $57,000 in debt. Undeterred, moved into building apartments, shopping centers; cleared debt in year and a half. With partner Roy Winegardner, purchased Holiday Inn franchises beginning 1959. After building 31 hotels, sold for HI stock 1970 (Roy later HI chairman 1979-83); kept building. Maintains 88 inns, including 5 Embassy Suites, and building more. Additional real estate across country. Endowed Springfield heart institute and architecture school. Not slowing down. "I've picked my retirement date—Oct. 1, 2011." Net worth estimated about $300 million.

William Herbert and Nelson Bunker Hunt
Sons and principal heirs of legendary Texas gambler and oilman H.L. Hunt, the boys were still billionaires and riding high in 1982. But their failed attempt to corner silver has since cost them almost everything.

Edmund Wattis Littlefield

BHP Utah International. Burlingame, Calif. 77. Married, 3 children. Grandson of E.O. Wattis, who cofounded UI's predecessor with famed Eccles banking family. At age 14, water boy for firm's construction crew in Ogden, Utah. Brief stint Standard Oil 1938; after WWII, worked for large dairy company. Moved over to UI 1951, became VP on condition he not have to hire founder's relatives; by time he was president 1961, Utah heavy in mining, ocean shipping, development. Merged with GE 1976 for nearly $2.2 billion, total new company (with minerals) then worth about $8 billion. Ed got GE shares worth about $73 million; has more than tripled to recent $275 million. With other assets, worth $300 million.

Walter Herbert Shorenstein

Real estate. San Francisco. 76. Married; 1 daughter, 1 son. Son of Long Island clothier; WWII air force. Real estate broker for SF firm 1946; partner 1951; bought company 1960 after founder died. Built to major player SF real estate: bought famous Bank of America building 1985 for $660 million (almost all debt). Much equity in more than 2.5 million sq. ft. other office space, 3 theaters run by daughter. Also manages 15.5 million sq. ft. office space SF, NYC, etc. Big-time Democrat backer. Grooming son as successor; daughter Carole successful producer (Tony award-winning *Fences*, etc.). Estimated worth over $300 million; he calculates it to be much over.

Melvin Simon

Shopping centers. Indianapolis, etc. 65. Divorced, remarried; 5 children. Brooklyn-born, raised in Bronx. Attended City College of New York. After Army, stayed in Midwest leasing retail space in shopping centers. Sent for brother Herb; pair started to develop shopping centers 1960. Made

fortune covering Midwest with unpretentious shopping malls. Now runs 66 million sq. ft., has ambitious projects: $600 million Mall of America with sports, amusement park, to open Bloomington, Ind. 1992; $400 million A&S Plaza already opened, midtown Manhattan mall on site of old Gimbels; the Forum at Caesars Palace, Las Vegas currently under construction; Hollywood Promenade to circle Mann's Chinese Theatre. Considering U.K., France. Mel's estimated worth $300 million, net of leverage. Herb: "Mel and I are just naive guys from the Bronx, right?"

Thomas Mellon Evans

Investments. NYC. 81. Divorced, widowed, remarried; 3 children by first marriage. After Yale, brought into business by W.L. Mellon, Gulf Oil boss and early hunter of poorly run companies. Thomas learned fast; hit jackpot with turnarounds that included bankrupt H.K. Porter 1938, Crane Co. 1959, over 80 others. Left Crane after losing board battle with son Shell. Despite pleas of son Edward, sold 22% MacMillan (publishing) stock. Now large holder Fansteel shares. Owns Buckland Farms, 3 horseracing, breeding sites in Ky., Va. Won Derby, Preakness with Pleasant Colony 1981. Total worth estimated more than $300 million.

Jerry J. Moore

Shopping centers. Houston. 63. Married, 3 children. Poor Polish immigrant parents; high school dropout. Started in plumbing; sold vacuum cleaners—some to buyers without electricity ("I told them the electricity was coming"). Began buying strip malls 1966; likes troubled properties for turnaround. Family in business. Lives in transplanted 40-room 18th-century French château. Bought Columbia Lakes resort, appraisal records state for $1.6 million; 650-plus vintage cars. Texas good ole boy style, not troubled by modesty: "You will never meet a guy who can shine my shoes. I am that good." Claims personal $200 million and $450 million-plus in family trusts, etc. On this year's evidence, total might be as much as $300 million.

Aaron Spelling

Television. Holmby Hills, Calif. 68. Divorced, remarried; 2 children. Raised in Dallas by Russian immigrant parents. High-strung kid: nervous breakdown age 8. To LA 1953, TV; successful producer. In 1970s, 1980s, many hits for ABC ("Aaron's Broadcasting Co."): *Dynasty, Love Boat, Fantasy Island, Charlie's Angels, Mod Squad.* Slowly fell out of favor. Took production company public 1986, merged with Carl Lindner's *(which see)* Great American Communications 1989. Scored with new Spelling production, *Beverly Hills 90210.* Sold rest of company to Lindner this year, reportedly for estate planning. Blew some $50 million on Holmby Hills supermansion. With syndication rights, believed worth at least $295 million.

Johnnie Bryan Hunt

J.B. Hunt Transport Services, Inc. Goshen, Ark. 64. Married, 2 children. Quit school eighth grade; worked in sawmills, auctioned livestock, joined Army, drove truck; tried starting businesses. In 1961 with wife used savings to start truck company; by 1969, 5 trucks, 7 refrigerated trailers. Now throughout North America; 1990 revenues $580 million. Nonunion; deregulation helped take business from competitors early 1980s; took public 1983. Formed Arkansas bank holding company 1985. Favors 10-gallon Stetson: "I don't like wearing a tie, but I would wear 2 ties if it would get another truck loaded." Son Bryan obvious successor. Stock, other assets recently worth about $295 million.

David William Grainger ★

Electrical equipment. Skokie, Ill. 63. B.S. U. of Wis. Married, 3 children. Son of William Wallace Grainger, an electrical motor designer and salesman who founded W.W. Grainger, Inc. 1927 (incorporated 1928) with $6,750 borrowed from his wife. U.S. factories were converting from DC to AC motors; sold motors, electrical parts. Went public 1967, retired 1968. Only son, David, took over; chairman 1968. Now a leading nationwide distributor. Catalog is main selling tool; company has also 350 sales outlets, over 1,000 direct salesmen; sales should top $2 billion calendar 1991. David: "The consumer shouldn't know the Grainger name." But customers do: His stock recently worth over $290 million.

Russell Solomon

Records. Sacramento. 66. Separated, 2 sons. "A hippie who learned to run a business." High school truant; college dropout, worked in dad's drugstore. Went broke. Reopened first record store Sacramento 1960; San Francisco store 1968, then largest in U.S. Today Tower Records sales over $540 million; also in England, Japan and looking to Singapore, Taiwan, etc. Wide selection of titles; videos, too. Store managers pick some stock. "There are more than 300 buyers out there instead of 1 or 2 . . . a lot more brainpower." Collects contemporary art. Company believed worth $290 million. Dislikes estimate: "Since the business isn't for sale, it's academic. I don't know what I would do if I had that much money."

George Leon Argyros

Real estate. Newport Beach, Calif. 54. Married, 3 children. Born Detroit, grandson of Greek immigrant, raised Pasadena; decided early real estate was the way to wealth: "If you work hard, it's one of the frontiers that is left." Michigan State, Chapman College; real estate license 1962, opened brokerage specializing in service stations; eagerly planned first subdivision 1963. Found good banker ("It's almost as important as your wife"), built creditworthy reputation, first apartments 1968; now owns 5,200 units. Also office parks, land. Bought baseball's Seattle Mariners for $13 million 1981, endured Big League's worst record, sold 1989 for aftertax profit over $50 million. Net worth estimated $290 million.

Alfred Lerner

Banking, real estate. Shaker Heights, Ohio. 58. Married, 2 children. Raised Brooklyn, family lived in 3 rooms behind father's candy store; Columbia grad. Earned $75 per week selling furniture, put savings in Ohio apart-

Robert Sutton
Going to court in 1981, charged with cheating on U.S. oil price controls. In 1982 he was estimated to be worth $150 million. In 1984 he was personally liable for $210 million. In 1986 he was in jail.

ment building. By 1979 could buy 11,000 Md., Pa. units with André Meyer (Lazard Frères) for $180 million. Was director small Cleveland bank: "That whetted my appetite." Bought control Equitable Bancorporation 1981, promised turnaround. Invested $75 million Progressive Corp. (high-risk insurance) 1988. Merged Equitable with Md. bank 1989; spun off MBNA 1991 as rescue tactic, owns 10%. Interest in Cleveland (football) Browns, stadium. Estimated over $290 million: "I'm no Joe Tycoon."

H. Wayne Huizenga ★

Blockbuster Entertainment, waste disposal. Fort Lauderdale. 53. Married, 4 children. Dropout (Calvin College) after 1½ years; joined friend's trash-hauling business. Bought own truck. Formed Waste Management, age 31; built to largest U.S. waste disposal company. Quit 1984. Bored. Bought 35% small Dallas video store chain. Saw success in big stores, wide inventory. Blockbuster Entertainment now leader; 2,000 stores, minimum 9,000 videos in each. Part owner Miami (football) Dolphins, Joe Robbie Stadium. Runs string of small businesses: life insurance, aircraft sales, real estate, etc. What now? "Work. More hard work." Expects same from employees. Wealth at least $290 million.

Oakleigh Blakeman Thorne

Commerce Clearing House. Millbrook, N.Y. 59. Divorced, remarried; 3 sons, 1 daughter. B.A. Harvard. Great-grandson of CCH's founder, who took over predecessor company; renamed 1927. Currently largest publisher tax and business guides for lawyers, accountants, other tax professionals. CCH boasts IRS its biggest customer. Owes its growth to paper-pushing bureaucrats. Electronic publishing, computerized tax service. Main company goals to offset competition, help future growth. Thorne family controls about 56%. Oakleigh's CCH stock, other assets worth some $285 million. At 700-acre farm upstate N.Y. breeds horses, raises cattle, looks after the vineyard.

Richard Alexander Manoogian

Masco Corp. Grosse Pointe Farms, Mich. 55. Married, 3 children. Son of Armenian immigrant Alex who began screw company 1929, went public 1936. Invented Delta single-handled faucet 1954; foundation of fortune. Now 90, worth $200 million. At Yale, son Richard ran investment company with roommates trading foreign securities. Joined dad, led 1960s diversification. From Masco Corp. (consumer), spun off Masco Industries (commercial products) 1984, TriMas (industrial) 1988. Acquisitions in past 4 years made company largest furniture and building products producer in world (over 200 plants). Executive: "We're the largest in almost everything we make." With American art collection, stock, etc., worth more than $280 million.

Lillian Goldman

Inheritance. Mill Neck, N.Y. 69. Widowed, 4 children. Widow of Sol Goldman, billionaire NYC real estate baron, d. 1987. Repeatedly says she helped husband's career by insisting he stop being mama's boy, quit family grocery business. Filed for divorce 1983; "reconciliation" deal gave her 33% of Sol's estate (270 properties Manhattan alone). Later sued to void deal; lost 1987. Trust created upon Sol's death. Children argued she was entitled only to income from her share, not control. Lil sued (again), won July. "The Goldman family is the best thing to happen to lawyers since the Magna Carta." Lil's 33%, etc. estimated about $280 million, children's share of estate (before inheritance tax) amounts to some $560 million. "My children have always known I would welcome them back to my bosom."

Michael Ilitch ★

Pizza. Troy, Mich. 62. Married, 7 children. Born to struggling Macedonian immigrants. With wife, saved up, opened Little Caesar pizza parlor, Garden City, Mich., 1959. Added second 1961; saw chain possible. Now over 3,500 internationally. Recently growing over 25% a year; pizza market at 14%. Designed conveyor oven to get pizza out quickly, but juice is in marketing: "Two great pizzas, one low price." Bought winning Detroit (hockey) Red Wings 1982. Also started Olympia Arenas, manages Detroit's Joe Louis Arena and Fox Theater, etc. Established Little Caesars Love Kitchen for the poor 1985. Net worth estimated at least $280 million, perhaps higher.

Timothy Mellon
Catherine Mellon Conover

Siblings. Inheritance. Grandchildren of financier, empire-builder Andrew Mellon (d. 1937), children of Paul *(which see; also other Mellons, Scaife May, Curriers)*. Tim: Manchester, N.H. area. 49. Divorced, remarried; 1 stepdaughter. Business-minded despite inheritance: Launched computer programming firm 1969; cofounded company to pressure-treat railroad ties 1977. Acquired Guilford Transportation for $50 million: 4,700-mile track composed of old New England railroads. Added 1,000 miles unwanted Norfolk & Southern track after unsuccessful bid for Conrail. Countersuits with CSX over freight charges. Chapter 11, 1988 for one subsidiary (Delaware & Hudson Railway). Catherine: Washington, D.C. 55. Twice divorced (uses mother's maiden name); 3 children by first husband, John Warner (later senator). Divorce settlement: $9 million plus houses to John. Catherine antiwar activist, environmentalist. Catherine and Tim each received $100 million trust from grandfather 1960s. Father Paul says will leave them nothing, they have enough. If conservatively invested, should be worth well over $275 million each today.

Seymour B. Durst
Royal H. Durst
David M. Durst

Brothers. Real estate. Father Joseph emigrated from Austria 1902; founded Durst Organization 1915 to manage Manhattan properties. Sons shifted emphasis from residential to midtown office space 1940s. Built several Third Ave. office buildings 1950s, moved over to Sixth Ave. 1960s, recently to Times Square area. Dursts control about 5 million square feet midtown office space. Very conservative financially, rarely take on partners. Seymour: NYC. 78. Widowed, 4 children. Trained as accountant, now heads Durst Organization. "We've felt everything in New York has been overpriced for the last ten years. We don't know where it goes from here." Roy: Scarsdale, N.Y. 74. Married, 3 children. Handles construction side. David: Chappaqua, N.Y. 66. Married, 5 children. Shares construction management with Roy, also leasing. Brothers share fortune still estimated over $825 million.

Leonard Litwin

Real estate. NYC. 75. Married, 2 daughters. Started in landscaping business with father on Long Island, retains valuable tree nurseries there. Branched out into apartment development. Pioneered postwar high-rises on, near, Manhattan's York Avenue; also invested in several Queens apartment buildings, Manhattan offices (recently unloaded, he says, for break-even price). Continues to build or buy at slow pace on Upper East Side. Stays out of public eye. Now owner of 23 Manhattan properties, at least 4,300 prime rental units; refuses to co-op: "Everybody who has a job in New York can't spend $500,000 on a co-op." Built a nice fortune too, estimated to be at least $275 million; he demurs.

William Alvin (Tex) Moncrief Jr.

Oil and gas. Fort Worth. 71. Married, 4 sons. Son of legendary Texas-born wildcatter W.A. (Monty) Moncrief. Had 4 years of dry holes, then blew one out on northernmost extension of vast East Texas field 1931. "My father had a nose for oil." Tex joined father 1945; Dad coached Tex on deals. Sr. died 1986; left estate to grandchildren. Tex continued on; "awesome" gas find Wyoming (possible 1 trillion cubic feet in reserves) 1988; well "shut in" until refinery is built. Also other big finds. Never takes long vacation but relaxes sometimes on 100,000-acre Colorado ranch, plays golf with fellow oilman John L. Cox *(which see)*. Fortune estimated at $275 million.

Great family fortunes

Some very wealthy families have fortunes already so divided that no individual among them qualifies for The Forbes Four Hundred. This listing is extensive but not intended to be as complete as our listing of the richest individuals in America. Most are the heirs of persons who would have been members of The Forbes Four Hundred had it been compiled in earlier decades; some are families still in the accumulation stage.

Andersen

Bayport, Minn. Danish immigrant Hans Jacob Andersen, arrived Portland, Me. 1870. First words in English, "All together boys," became company motto. With sons founded Andersen Lumber Co. 1903. Standardized wooden window frames with interchangeable parts, revolutionized building industry 1904. Signed first profit-sharing check hours before his death. Son Fred took helm, emphasized advertising: "Only the rich can afford poor windows." Andersen Corp. leading U.S. windowmaker, about 15% market share (1990 estimated sales over $1 billion). Profit sharing seems to work: employees' bonus over 62% 1989 salary; margins reported higher than previously estimated. Family's 70% estimated some $750 million.

Bacardi

Puerto Rico, Miami, et al. Descendants of Don Facundo Bacardi y Maso (b. 1816), Spanish-born wine merchant immigrated to Cuba 1830; made "civilized rum," formed Bacardi Co. 1862, now world's most popular brand. Sold 23 million cases worldwide 1990. Generations of Bacardis work in various private companies: Bacardi Corp. of Puerto Rico sells to Bacardi Imports of Miami; both pay royalties to Bacardi & Co. Ltd. Bahamas. Family factions in 5-year-old bickering: less powerful shareholders want voice, say financial information withheld. SEC also wants financial information, company says it is private and won't comply. Some 500 Bacardis share fortune estimated $750 million.

Bancroft

Inheritance. Descendants of media magnate Clarence Barron (d. 1928). Acquired Dow Jones & Co. 1902, publisher of Wall Street Journal; Dow Jones ticker; Ottaway newspapers (Barron's). Clarence's adopted daughter Jane wed Harvard lawyer Hugh Bancroft (d. 1933). Three children split fortune: Jane Bancroft Cook *(which see)*; Jessie Cox, d. 1982 (3 children); Hugh Bancroft Jr., d. 1953. Hugh's 4 children inherited his share: daughter Bettina Klink a Dow Jones director since 1982. Sister Kathryn, brothers Hugh and Christopher all avoid publicity. Three branches share Dow Jones fortune worth at least $1.5 billion.

Robin Platzer

Judy (ex-Miss Israel) and A. Alfred Taubman on the town

After a brilliant mall-building career, his suburban real estate, shopping malls, urban department stores and Sotheby's art auction galleries are being mauled by recession, consumer retrenchment and a wrenching return to reality in the price of art.

Bean (Gorman)

Freeport, Me. Descendants of Leon Leonwood Bean (1872-1967), sportsman, founder L.L. Bean, Inc. Tired of cold, wet feet, put rubber bottoms on leather shoes. After 90 of first 100 pairs returned defective, introduced Bean money-back guarantee, still in effect. Maine's first hunting licenses 1919 inspired first-ever direct-mail marketing campaign; sales passed $1 million 1937. "That wasn't bad for a boy who never got through the eighth grade." Today's president grandson Leon Gorman, 56; encouraged advertising, broadened women's line; now scaling back expansion to protect quality, service. 1990 sales near $600 million. Fifteen reclusive descendants believed to control company worth around $400 million.

Belk

Charlotte, N.C. Descendants of brothers William and John Belk, who opened N.C. general store 1888. Gave no credit, bought out credit-granting rivals for pennies on the dollar. Empire grew out of 13 stores 1913; today some 320 stores, estimated sales $2.2 billion, aggressive on keeping costs down: "I don't reckon we got a system, we just sell goods." Some 25 descendants share ownership with local owner-partners; each store a separate corporation. Family history of feuds, lawsuits. William Jr. ousted as chairman 1950s; tried but failed to thwart brother John's Charlotte mayoral career (1969-77). John now chairman of BSS; brother Tom president. Family's interest estimated about $450 million.

Bingham

Newspapers. Descendants of Robert (Judge) Bingham; lawyer, mayor of Louisville, ambassador to Britain. Married Mary Lily Kenan Flagler, one

of nation's richest women, 1916. Bought majority Courier-Journal, Louisville Times 1918, after wife's mysterious death (rumors of poisoning abounded). Died 1937. Youngest son Barry Sr. took control, bought out siblings. Added broadcasting; company 7-time Pulitzer winner during tenure. Son Barry Jr. became editor, publisher 1971. Power struggle among siblings forced Barry Sr. (d. 1988) back on scene; culminated in $400 million liquidation 1986. Media whirlwind engulfed the "Kennedys of Kentucky"; 4 books to date. Net of taxes, 13 family members estimated at $350 million.

Block

NYC area. Heirs of Alexander Block, Russian immigrant who opened Brooklyn retail drugstore 1907; expanded to manufacturing. Today Jersey City-based Block Drug Co., makers, marketers pharmaceuticals, household products: Polident, Sensodyne, Nytol, 2000 Flushes, etc. Block has earmarks of well-run family business: careful, low-risk expansion, little debt. Cares little for Wall Street analysts, press. Aggressive sales force. Basic strategy: cut niche in market, build on it. Two generations share power in executive suite: Leonard Block, 79, senior chairman, lives in Manhattan's silk-stocking turf. Sons: James, 54, chairman; Thomas, 46, president. Family owns 100% voting stock, over 50% nonvoting shares, recently worth some $700 million.

Brittingham

Mexico, Dallas. Los Angeles-born brothers Jack and Robert saw place for ceramic tile in post-WWII building boom. Chose Dallas headquarters for proximity to Mexico, where tile is produced, labor cheap. Started 1944; later became Dal-Tile Group; built firm into one of largest U.S. ceramic tilemakers. Brother Jack, a.k.a. Juan, moved to Mexico to run company's manufacturing arm. Robert ran Dal-Tile in U.S., kept out of sight. Sold out last year to AEA Investors Inc., an exclusive New York-based investment group composed primarily of former corporate chief executives; also Henry Kissinger. Buyers just as secretive as sellers. After full allowance for taxes, brothers still netted at least $470 million.

Brown

Brown-Forman Corp. Louisville, Ky. Heirs to George Garvin Brown, who founded JTS Brown & Brother with half-brother 1870. Became Brown-Forman 1890, family control ever since. William Lee Lyons Brown Jr., CEO since 1975, is son of W.L. Lyons Brown (CEO 1951-71), who was son of Owsley Brown (CEO 1917-51), who was son of George Garvin Brown. Present CEO's brother, Owsley Brown II, president; their cousin, Owsley Brown Frazier, vice chairman. A leading U.S. liquor power: Jack Daniels, California Cooler, Southern Comfort, Korbel, etc. As alcohol taxes go up and per capita consumption down, diversifying slowly: acquired Lenox china 1983, Dansk International Designs this year. Family's stock recently over $1 billion.

Bullitt

Broadcasting. Seattle. Pioneer C.D. Stimson amassed Washington State timberland, real estate (d. 1929). Daughter Dorothy married state Democratic kingpin A. Scott Bullitt (d. 1932); ran business after husband's death. Bored, bought radio station 1947, then area's first TV station 1948. "The station came before the sets." Built broadcasting company. Rafted Colorado rapids at 85, died 1989 at 97. Daughters Priscilla Collins, 70; Harriet S. Bullitt, 66, sold 6 television stations, cable systems April for reported $575 million. Much to Bullitt Foundation for environment. Brother Stimson, 70, with no broadcasting inheritance, runs Harbor Properties real estate. Excluding foundation, family estimated at $400 million.

Busch

St. Louis. Descendants of Bavarian immigrant Adolphus Busch, who married Lilly Anheuser 1861. Sold brewery supply business, joined father-in-law's brewery 1866. Company survived Prohibition by diversifying: corn syrup, soft drinks. August Jr. joined 1922, president 1946. Steered into modern times with Busch Gardens theme parks, St. Louis (baseball) Cardinals; solid promotion that made Budweiser King of Beers in U.S. With 1990 sales $10.7 billion, company dusts industry: 44% market share, including all Anheuser-Busch brands; 1 of every 4 beers drunk in U.S. a Bud. Died 1989. August III, at helm several years, diversified into food products, expanded theme parks. Fifth-generation August IV ready to follow, 27 years after taking first sip of Budweiser (at age 10 hours). Family shares recently $1.3 billion.

Campbell

Hawaii et al. Progenitor James Campbell left Ireland as 13-year-old stowaway to join brother in NYC 1839. Survived shipwreck, capture by cannibals, arrived Hawaii 1850. Bought vast tracts arid land against skeptics' advice; irrigated with artesian wells, built rich sugar plantation. Dubbed "Kimo Ona-Milliona" (James the Millionaire) by native islanders; d. 1900. Estate now 76,000 Hawaiian acres. Committed to preserving agriculture but slowly selling well-located parcels, buying mainland office buildings, shopping malls at depressed prices. Last surviving daughter, Beatrice Campbell Wrigley, died 1987; trust dissolves 2007; numerous family members will divide fortune now estimated $675 million.

Caruth

Real estate. Dallas. William Barr Caruth with brother Walter started general store Texas 1849. Bought land with profits—$5, $10 an acre; by early 1900s up to 20,000 acres, much now known as North Dallas. William's son Will Sr. expanded to some 30,000 acres. Grandson Will Jr. wrote self out of father's will, left majority to grandchildren with himself managing. Most land gradually developed, liquidated to pay off debt. Grandchildren not active in business: "I deprived them of a growling in the gut, which is the greatest motivating factor you can have." Will Jr., 78, terminally ill, suicide 1990; left handpicked managers at helm of family's Central Control Co. Had amassed over $100 million

for Caruth Foundation; more than $300 million given away. Fortune still believed to be worth at least $500 million.

Chandler

Los Angeles et al. Times Mirror Co. Scions of Harry Chandler, clerk at Los Angeles Times who married daughter of owner Harrison Gray Otis 1880s; rose to chairman. As media tycoon, clever marketing squeezed out rival papers. Built real estate, media empire. Died 1944. Son Norman won over readers by running news instead of ads in WWII print shortage. Became 8 dailies including Newsday, Baltimore Sun; 11 magazines (Field & Stream, Popular Science); broadcast, cable TV. Family separated private holdings from big company early 1970s. Grandson Otis Chandler quit as editor-in-chief 1986, now all professional managers. Over 100 family members share Chandler trust, recently at least $1.3 billion.

Clark

Cooperstown, N.Y. Heirs of Edward Clark (1811-82), helped Isaac Singer sell sewing machines 1850s. Gained 40% of Singer Manufacturing Co. His 4 grandchildren made eyebrow-raising claim 1939: America's favorite pastime invented in Cooperstown; opened Baseball Hall of Fame. Also other museums, hospital, hotel, golf course, town gym, etc. Three died heirless. Now there are Stephen C. Clark Jr., 80; niece Anne Labouisse Peretz, 53, co-owner New Republic magazine; nephew Alfred, 48 (has NYC investment company), to run Cooperstown. Smart investments by NYC-based Clark Estates Inc. keep estimated fortune at least $390 million for these and 9 other Clarks; equivalent amount in foundation.

Collier

Inheritance, investments. Naples, Fla. et al. Descendants of Barron Gift Collier, high school dropout. Advertising whiz, used streetcars instead of billboards. Bought southwest Florida land from 1911, eventually amassed 1.3 million acres (Collier County, etc.). Died 1939. Current heirs disagreed on strategy. Split empire with coin toss 1980. Branch A: Collier Enterprises. Miles, 44, married, Columbia M.B.A., leader; controls 72,000 acres agriland, 2,800 acres Naples, 5,900 acres citrus groves, Okla. City's Local Federal Savings & Loan. Building Tampa office park. Branch B: Barron Collier Co., 3 main heirs: 72,000 acres agriland, 5,000 acres Naples, 10,000 acres citrus; developing 80 acres downtown Phoenix. Combined fortune estimated at $1 billion.

Rick Friedman/Black Star

Kenneth Olsen

In the 1960s and 1970s Olsen built minicomputer maker Digital Equipment Corp. into an industry giant, second only to IBM, propelling himself to a Forbes Four Hundred fortune by 1982. But since then PCs and workstations have undercut minicomputers and made Olsen a Forbes Four Hundred also-ran.

Coors

Golden, Colo. Heirs of German immigrant Adolph Coors, who built small brewery 1873. Survived Prohibition making malted milk, pseudo beer. Introduced then revolutionary aluminum can 1959; went public 1975. Grandsons William, Joseph built company, spurred controversy with antigay, antiminority, antiunion policies; cofounded Heritage Foundation 1973. Ten-year union-led boycott ended 1987, unions let in. Now great-grandsons Peter, Jeff, Joe Jr. run firm, with more diplomacy. Third-largest in U.S.: 9.9% market share. Peter: "My goal for the 1980s was to be number three and growing. My goal for the 1990s is to be number two and growing." Watch out, Miller. Family's 54% recently $415 million.

Cowles (Gardner)

Print media. Minneapolis, NYC et al. Descendants of Gardner Cowles Sr., who bought troubled Des Moines Register 1903, added evening Tribune, built respectable paper (d. 1946). Son John Sr. (d. 1983) did same with Minneapolis Star 1935. Brother Gardner Jr. founded Look magazine; sold Florida papers, Family Circle, etc. to New York Times for 23% of NYT stock 1971 (d. 1985). Third generation blew profits, lost some papers; sold Cowles Broadcasting to Oveta Culp Hobby *(which see)*

1984, flagship Register to Gannett for $200 million 1985. Grandson David Kruidenier, 69, chairman Cowles Media (2 dailies, more than 20 special-interest magazines). Over 70 heirs with 70% Cowles Media plus NYT stock, estimated worth about $525 million.

Cowles (William)

Spokane. Descendants of William Hutchinson Cowles, Chicago Tribune heir (also distant relative of Gardner Cowles, *see above*); police reporter for Tribune, moved West 1891, bought into Spokane Spokesman-Review. Gained control 1894, bought rival Chronicle 1897. President Truman called Spokesman one of "the two worst papers in the country." Taken as compliment. Invested in timberland, paper mill, started Inland Empire Paper Co. William Jr. added radio 1946, TV 1952. Now grandsons: James, 57, manages paper mill, downtown Spokane real estate; William 3rd, 59, runs newspapers. Very private. Handful of descendants share Cowles Publishing, large Tribune stake, etc., estimated worth $450 million.

Cullen

Houston. Inheritance. Descendants of Hugh Roy Cullen (d. 1957), grade school dropout, cotton trader, legendary wildcatter, gave away 90% of $200 million fortune. Favorite strategy: drill deeper in "dry" holes, find oil. Hit famed Tom O'Connor field early 1930s. Began Quintana Petroleum 1932, operates oil and gas wells for family, outfits like Exxon. Only son was killed in oil rig accident 1936. Four daughters inherited Quintana; 3 daughters' husbands run it. (Fourth daughter married Italian playboy "Baron" di Portonova, lived in solitude in seedy Manhattan hotel, died 1966.) Son-in-law Corbin Robertson leads family; 5 branches (over 30 members) share Quintana, oil and gas properties worth an estimated $500 million.

Dayton

Minneapolis. Banker George Draper Dayton snapped up new vacant building in downtown Minneapolis 1902, bought dry goods company to fill space. Founded Dayton's department store. Son George Nelson Dayton took over 1938, raised 5 sons on isolated 800-acre farm to instill family values. By 1950, brothers took over store, catapulted company to national prominence. Merged with J.L. Hudson Co. 1969; Dayton Hudson later acquired: B. Dalton Bookseller, Target, Lechmere; Marshall Field's & Co. 1990. Also merged with Mervyn's 1978. Last brother retired from management 1983. Company tradition since 1946: donate 5% taxable income. Fifty descendants share fortune estimated over $1 billion.

de Menil

Houston, NYC. Heirs of physicist Conrad Schlumberger, who developed "well-logging" 1920s. Became oil exploration essential: fine-tuned location, depth of oil. U.S.S.R. first to try Schlumberger Ltd. service (Conrad, a socialist, pleased). Died 1936. Company dominant in field since. Daughter Dominique, now 83, fled Nazi-occupied Paris to firm's Houston headquarters. Husband John de Menil headed firm 1967-70 (d. 1973). Over half respected 15,000-piece art collection to Menil Collection museum, Houston. Very active in human rights: started Carter-Menil Foundation with Jimmy Carter. Her 4 children have own art collections. This branch Schlumberger family worth over $445 million.

de Young

San Francisco, et al. Descendants of Michael H. de Young, founder San Francisco Chronicle with brother Charles 1865: epitomized "yellow journalism," entertained with racy scandals, mudslinging. Mayor's son shot Charles dead 1880; Michael shot 1884, survived. Warred with archrival Hearsts *(which see)*, but signed one of largest newspaper joint operating agreements with Hearst Examiner 1965. Now Chronicle Publishing 6 dailies, 5 TV stations, cable (300,000 subscribers). Today great-grandson Richard Thierot, 49, president; Chronicle editor-in-chief, publisher from 1977. But cousin Nan McEvoy chairwoman. Nineteen heirs (other than Nan and son) control almost 75%; estimated worth $750 million.

Donnelley

Chicago origin. Descendants of Richard R. Donnelley (d. 1899), Canadian saddlemaker's apprentice who became partner in Chicago print shop 1864. By 1868 shop publishing, printing 23 journals. In 1871 burned down in Great Fire, rebuilt into R.R. Donnelley & Sons 1882. Son Reuben (d. 1929) established publishing house acquired by Dun & Bradstreet 1961. Grandson Gaylord, Thomas' son, took over main family company 1964. A Chicago icon, Gaylord fished with Hemingway; now retired "honorary" chairman, age 81. Company grown to world's largest commercial printer, serves Time, Newsweek, TV Guide, et al. Donnelley descendants, with 18% of stock, worth nearly $1 billion.

Duda

Agriculture. Oviedo, Fla. Czech immigrant Andrew Duda (d. 1958) left Cleveland, arrived Fla. 1909 to start religious farming community. Went broke, returned to Cleveland 1916; back to Fla. 1926 again, just to farm. Planted 10 muckland acres of celery, plowed profits back into company: "It was a good investment." Three sons—John (d. 1988), Andrew Jr. (d. 1986), Ferdinand, 81 (none went past ninth grade)—planned retirement, company passed smoothly to third generation 1977. Today A. Duda & Sons, one of nation's largest vegetable growers. Also real estate development. Estimated 60 family members share land, citrus, vegetable empire worth at least $325 million.

Heirs of Pierre Samuel du Pont II

Wilmington, Del. Descendants of Pierre Samuel du Pont de Nemours (1739-1817), French Physiocrat who fled revolutionary terror for America 1800. Son Eleuthère Irénée, chemist's apprentice, founded gunpowder factory on Brandywine Creek 1802. Company and family prospered, dominated Powder Trust late 1800s.

After family battle for company control, Pierre S. du Pont II emerged as leading figure, with 2 cousins, 1915. Lucrative World War I munitions contracts led to vast growth, profits, despised sobriquet "Merchants of Death." Founded Christiana Securities as family holding company for Du Pont (merged into Du Pont 1977 under government antitrust pressure). Rescued nascent General Motors 1920s, about one-third interest. Also Hercules Powder Co., U.S. Rubber (later Uniroyal), etc. Bought out cousins in further struggles for control of Du Pont. Childless, Pierre divided bulk of fortune among siblings and nephew before death in 1958. His family branch built up Wilmington Trust Co., while dissident branches established Delaware Trust Co. Numerous descendants of Pierre II siblings still control over 15% of Du Pont; are the wealthiest du Ponts by far. Says one family member: "The thing about the du Ponts is that some are very, very rich, and the others are just plain old rich." This branch (including the listed individuals) has estimated worth over $8.6 billion. Numerous collateral du Pont families, many also wealthy.

Alan C. Ashton
The biggest problem facing his WordPerfect Corp. is what to do for an encore in the 1990s. His word processing program still dominates the field. But few hot software publishers aside from Microsoft come up with a second big winner.

Firestone

Tires. Akron, Ohio et al. Descendants of Harvey S. Firestone (d. 1938), industrialist, saw future in rubber: "An automobile industry without a tire is useless . . . without rubber we cannot carry on at all." Put in $20,000 startup capital to form Firestone Tire & Rubber Co. 1900. Turned company into leading supplier of automobile tires. Long run by family: Sons Harvey Jr., Leonard and Raymond were company executives. Firm fell on hard times 1980s; acquired by Bridgestone Corp. for $2.6 billion ($80/share) 1988; renamed Bridgestone/Firestone. By time of merger, family shares mostly sold off. Family estimated worth over $300 million.

Gore

W.L. Gore & Associates. Newark, Del. Founder Wilbert L. Gore (d. 1986) Du Pont employee, worked on Teflon 1957. Du Pont not interested in selling finished Teflon goods; Wilbert, wife Vieve started own business 1958. First insulated cable; then Gore-Tex—durable fabric later used in space suits. Son Bob took over 1975. Company best known for sportswear, raincoats, etc., but also medical (surgical patches, artificial ligaments), telecommunications (cables), industrial products (filters). Original patent expires 1993, but "We've patented hundreds of uses and we expect to come up with hundreds more." Sales estimated near $675 million. Employees getting stock. Family shares still estimated worth $500 million.

Graham

Washington, D.C. Washington Post Co. Eugene Meyer, retired Wall Street banker, bought bankrupt company 1933 out of boredom. Daughter Katharine's husband, Philip Graham, took over 1946, restored Post; bought Newsweek 1961. Philip: mental illness, suicide 1963. Housewife Kay took over. "I quickly learned that things don't stand still. You have to make decisions." Made newspaper enormously successful; it broke Watergate story 1972. Led acquisitions TV stations, cellular franchises. Now media empire. Son Donald, 46, joined Post 1971 as reporter, CEO last May; Kay, 74, stays chairman. Donald: "My mother has given me everything except an easy path to follow." Family's Post shares recently worth over $360 million.

Gund

Cleveland origin. Six children of George Gund Jr. (d. 1966), Harvard Business School grad, liquidated family brewery during Prohibition, bought decaffeinated coffee company 1919. Sold to Kellogg 1927; now Sanka at General Foods. Invested real estate, Cleveland Trust (became president 1941). Sons George III, Gordon own Cleveland (basketball) Cav-

aliers, stadium. Sold Minnesota (hockey) Northstars to get new San Francisco NHL franchise 1991. George owns advertising agency in Nevada, Washington. Gordon, blind from retinitis pigmentosa, venture capitalist in Princeton, N.J. Sister Agnes, art collector on board New York's Museum of Modern Art, etc. Brother Graham noted architect. Family worth at least $1.3 billion.

Haebler

International Flavors & Fragrances. Descendants of American-born William T. Haebler, who founded IFF 1929 with Dutch immigrant A.L. van Ameringen. Major investments in plant, equipment 1950s, 1960s. Today leading maker products adding flavor, odor to perfumes, soaps, drinks, etc. Spends heavily on research. Does not disclose clients, but reportedly makes scent for Calvin Klein's perfume Eternity. William set up trust for daughters Polly, Ellen and Ann. Polly: Milwaukee. Married to William van Dyke III, Smith Barney executive who likes fishing in Alaska; 3 daughters. Ellen: Darien, Conn.; Key Largo, Fla. Married to Philip Skove. Ann died 1988. IFF interests Polly, Ellen, Ann's 2 sons recently worth $555 million.

Hillenbrand

Batesville, Ind. et al. Augustine Wilhelm Hillenbrand, German immigrant, left New Orleans 1837 for Batesville. Son John started furniture business 1881, then expanded into caskets. His son John A. bought bankrupt coffin company 1906. First to mass-market air- and watertight caskets 1940. Hill-Rom created in 1929: manufacturer of hospital beds, the first producer of electrically operated beds 1950. Hillenbrand Industries acquired luggage company American Tourister 1978, Medeco Security Locks 1984, SSI Medical Services 1985; also still world's leading casketmaker. Company stresses efficient manufacturing, innovative design and aggressive marketing. Daniel A. Hillenbrand, 68, chairman; W August (Gus), 51, his nephew, president. The family's 63% recently worth $1.1 billion.

Hixon

Pasadena. Joseph Hixon ensured fortune with major investment in AMP stock; increased holding to 45% by 1959. AMP became leading producer electronic connectors for computers, appliances; custom designs production machines to fit customers' assembly lines: indispensable supplier. Current generation merged family holding company Midland Investment into AMP 1981. Joseph's son Frederick (d. 1978) moved to San Antonio, invested in ranches, oil, venture capital provider. Another son, Alexander, AMP director until 1987; lives Pasadena, travels, golfs; wife Adelaide volunteers: United Way, Planned Parenthood. Family shuns press. Original AMP holdings, if still fully retained, exceed $770 million.

Horvitz

Cleveland area; Fort Lauderdale. Three sons of Samuel A. Horvitz, self-made media, real estate mogul. Street-corner newsboy, educated to eighth grade. Founded road construction company 1916; later, real estate development firm, acquired 5,000 Florida acres; added 2 Ohio newspapers. Left fortune in trust 1956 divided among adversarial sons: Harry ran newspapers; Leonard, construction; William, real estate. After mother's death 1977, brothers' feuding ended in fistfights, lawsuits. Exasperated probate judge liquidated trust 1986. Brothers say life now "much better; all at peace, all getting along." Today the family believed worth at least $750 million, possibly much higher: "It's just three families each running their own pot."

Hoyt

NYC area, Santa Fe. After Princeton, Henry Hamilton Hoyt left successful import-export business. Entered father-in-law's company, maker of Carter's Little Liver Pills. By 1929 managing director; bought control anonymously, cut dividends. Enlisted chemist John Wallace to develop new products: Arrid deodorant, Nair hair remover, Rise shaving cream. During WWII: foot powder for GIs. "Liver" dropped from pills after 17-year government suit resolved 1959. Grew through acquisitions from 1960s. Carter-Wallace stock spurred by AIDS scare: Trojan condoms acquired 1985, now over 50% market share. Henry Sr. died last year at 95. Sons Henry Jr. and Charles run company. Family shares recently worth $625 million.

Hughes

Fortune built by legendary tycoon Howard Hughes Jr. Father patented oil-well drill bit 1909; Jr. inherited age 18; made movies, set flying records, created Hughes Aircraft, owned TWA, dabbled in Hollywood. Turned weird, secretive. Died 1976, no will, no immediate family. Bulk of fortune in Howard Hughes Medical Institute. Cousin William Lummis took over Summa Corp.; assets estimated $168 million 1976. Five-year search for heirs, dozens of funny claims; built up real estate; today still holding 900 acres LA, developing 25,000 acres near Las Vegas. Hughes hated lawyers, but law firms may be biggest beneficiaries. Lummis next at about 3.5%. Over 100 people share in estate; over $500 million distributed.

Hunting
Idema
Wege

Steelcase. Grand Rapids, Mich. Peter Wege (d. 1944), sheet metal worker and holder of 6 patents, got idea for fireproof metal office furniture; launched own firm 1912. Big success with first metal wastebasket. Prospered 1920s, survived Depression. Patented modern-day suspension cabinet 1934. Changed company name to Steelcase 1954. Henry Idema (d. 1951) one of original investors. David Hunting (now 99) joined after, brought other investors. Became sales chief, now board member. Henry's son Walter (d. 1979) set up financial controls; daughter Mary married current chairman, Robert Pew, 68. Policies: tight control, quality design; good pay, benefits in non-union shop; aggressive marketing; independent—exclusive dealerships (over 500). Leader in office furniture: fiscal 1991 sales $2.24 billion world-

wide. Corporate culture encourages creativity; actively aquired small design firms to produce more interesting furniture. Three families share company valued at $2 billion.

Irvine

Inheritance, lawsuits. Middleburg, Va.; Corona Del Mar, Calif. James Irvine built Orange County cattle empire. Son James Jr. farmed. When heir James III died of tuberculosis mid-30s, Jr. set up foundation run by business cronies with 54% of 120,000-acre ranch; drowned suspiciously 1947. Second son Myford, gambler, died of "self-inflicted" gunshot wounds. James III's widow Athalie, daughter Athalie ("Joan") inherited 22%. Joan, 58, filed over 20 lawsuits for asset mismanagement; won. Joined Taubman-Allen-Bren *(see all)*; Irvine Ranch buyout 1977, sold 11% for $76 million, reinvested; held 11% new company. Bren bought control 1983; Joan sued for better price; recently got over $250 million in settlement. She, mother share estimated $350 million.

Jenkins

Publix Super Markets. Lakeland, Fla. George Washington Jenkins, 84, worked for Piggly-Wiggly for 4 years, then "hitchhiked to Florida in 1924 with $7 in his pocket." Founded Publix 1930, named after a movie theater chain: "My father liked that name," says Howard, one of George's 5 living children (1 son deceased). By 1950, 21 stores; by 1991, 386, all Florida. Chairman Howard, 40: "Florida is the fastest-growing state in the country, and we didn't feel like we should grow any faster than that." But now 2 stores under construction, planned in Georgia. Company's 66,000 employees own all Publix shares; 1990 sales of $5.8 billion. Family's portion worth over $640 million.

Jordan

Boston origin. Retailing, publishing. With $1, 14-year-old Eben Jordan set off from Danville, Me. 1836 for Boston. Worked as a farmhand, errand boy. In 1851 started retailer Jordan Marsh with partner Ben Marsh (eventually sold to Allied Stores). Invested wisely: funded Charles Taylor's *(see family)* revived Boston Globe. Jordan's heirs still hold big piece of umbrella Affiliated Publications. Family shared in killing in 1980s from Affiliated's investment in McCaw Cellular, 1989 spinoff. Prominent Jordan: Dorothy (Mrs. Randolph A. Kidder), 2 children. Family trust still has about 13 million shares Affiliated, 11 million McCaw; trust terminates 1996, when stock will be distributed to family. Shares recently tipped scales at $645 million.

Kaskel

NYC. Father Alfred (d. 1968) built Doral Hotel & Country Club, Miami; bought four rundown NYC hotels early 1960s. Son Howard now runs 3,000-room, respected Doral chain. Also Carol Management, runs apartments NYC, Chicago, Conn.; also prime NYC office space. Nephew Steven Schragis launched Carol Publishing and Birch Lane Press 1989. Kaskels paid $60 million for Westchester hotel/conference center 1986. Lost 1987 Kansas City Southern takeover bid, sold 11% 1988 for no gain. Colleague: Howard, 54, "doesn't have the personality of a raider." Real estate recession took toll on holdings shared by Howard, 2 sisters: Family estimate down to $400 million.

Kelley

Honolulu. Roy Cecil Kelley, USC architecture grad, arrived Hawaii 1929. Designed landmarks, homes. Borrowed $10,000, built first apartment house 1933. Witnessed Pearl Harbor attack from rooftop. "Wizard of Waikiki" foresaw islands' potential as middle-class "tourist factory." Built first hotel 1947 planning on high occupancy, low rates: "Our whole attitude was utilitarian." Utilitarianism successful enough to build 9,000-room Outrigger Hotel chain, Hawaii's largest (owns 15, manages 11); growing mainland presence. Recently purchased a southern California Clarion hotel (business clientele). Roy, 86, retired; son Richard, 58, Harvard-trained pathologist, now in charge. Family fortune estimated at $400 million.

Kennedy

Boston origin. Joseph Patrick Kennedy (d. 1969) rose from modest south

Fred Smith: winning, but getting whipped by technology

Smith trounced the Postal Service with overnight air package delivery. It worked brilliantly: Federal Express monitored everything by computers, from the instant the driver put the package in the truck. But cheap fax machines everywhere zapped his ZapMail faxing service and cost Fed Ex $350 million. Now the company is spending heavily as it tries to grow overseas.

Boston beginnings to bank president age 25. Wall Street speculator, went short before 1929 crash, huge gains. Later outlawed own trading methods as first head SEC. Married Rose Fitzgerald, daughter of Boston mayor (Honey Fitz), 1914. From 9 children emerged political dynasty, tragedy. Son Joe killed World War II; daughter Rosemary retarded. John F., senator, President, and Robert F., senator, attorney general, both assassinated. Edward M., senator, presidential chances destroyed at Chappaquiddick. William Kennedy Smith, Joseph's grandson, awaits Palm Beach rape trial. Family wealth apparently less than previously believed *(see p. 34)*: now estimated some $350 million, paying bills of more than 50 Kennedys.

King

Short Hills, N.J., NYC, Calif., et al. Charles King (d. 1972) pioneer radio syndicator 1930s, formed TV syndication company King World Productions 1964. Sons Roger, Michael took over early 1970s. Hit bigtime 1980s with syndication rights to *Wheel of Fortune, Jeopardy!, Oprah Winfrey;* top 3 syndicated shows. Also produce tabloid journalism show *Inside Edition*; new *Candid Camera* this fall. Sixteen-hour workdays not uncommon for brothers. Roger, 47, chairman; Michael, 43, president and CEO; Diana, 42, vice president and treasurer; Richard, 50, director. Sister Karen quit 1986, eldest brother Robert sold out for $1.7 million before company went public 1984. With 35% stock, etc., worth at least $500 million. "We do our homework."

Kleberg

King Ranch, Tex. Richard King (1824-85), Rio Grande steamboat captain, bought Spanish land grants south Texas 1850s, started country's most famous ranch. Bulk (over 800,000 acres) to daughter and husband Robert Kleberg. Formed King Ranch Corp. Descendants, with Exxon, developed big oil finds. Family built up ranches Argentina, Venezuela, Spain, Morocco, Australia (7.6 million acres), Brazil. Nonfamily member Leroy Denman, chairman of King Ranch, sold all overseas except Brazil. Family clash led to buyout, departure of former managers Roger Shelton, Belton Kleberg Johnson mid-1970s. Stephen (Tio) Kleberg runs daily operations. Robert's descendants believed worth about $1 billion.

Kohler

Kohler, Wis., et al. John M. Kohler bought iron foundry 1873; sold enameled hog scalder as inexpensive bathtub to swelling immigrant market; expanded to other bathroom fixtures. Son Walter thought big: instituted 50-year plan (this one worked, unlike Mao's), brought in Frederick Law Olmsted's firm (designer NYC's Central Park) to design company town; the governor of Wisconsin 1929-31. Walter Jr. also governor 1951-57. Uncle Herb took over firm 1940s, and ran until his death in 1968; weathered bitter UAW strike 1954-62. Herb Jr., 52, former hippie, chairman 1972. "Hipness" didn't hurt: sales now estimated over $1.3 billion. However, the company carries much debt. Family fortune estimated over $500 million.

Lawrence

NYC area. Heirs of Sylvan Lawrence (né Cohn), whose great-grandparents began NYC real estate empire 1860s. Sylvan twice college dropout, sold bikes for father-in-law. Drugstore soda jerk 1946; big brother Seymour Cohn *(which see)* invited Sylvan into real estate. Together launched impressive Manhattan empire; at peak 12 million sq. ft. office space. Seymour: "Being brothers, we had a tremendous edge. We went to work together, we came home together. We always worked Saturdays. Sundays we'd talk real estate." Sylvan d. 1981 (cancer), many properties sold for nearly $800 million. Seymour: "I never looked at it as if we were two people. We were one." Sylvan's heirs' worth estimated at least $390 million.

Lilly

Indianapolis, et al. Descendants of Colonel Eli Lilly, Civil War veteran, opened Lilly's Laboratory 1876. Son Josiah took over 1901, introduced first commercial insulin 1920s. His two sons first to mass-produce Salk

Mary Hilland

Larry Fleming

David (left) and Charles Koch, victors in the family feud

Fred Koch, their father, developed a refining process that started the family's vast private fortune. But he couldn't figure out how to keep his four boys from battling over everything from sports to business. Charles and David's solution: They bought out their two brothers in 1983 and, billionaires now, have long lived far apart. Charles is in Wichita at company headquarters, David in New York.

polio vaccine 1950s. Company marketed first drug based on gene-splicing, Humulin, 1982. Total 1990 revenues: $5.2 billion. But also legal problems 1970s, 1980s: Oraflex, DES, Darvon. Nonfamily management. Vast family philanthropies: Lilly Endowment, set up 1937, $2 billion trust for Indiana educational, religious development. Family vague on stockholdings: If diversified out of Lilly into, say, DJIA, might be worth only $1 billion. If held on to original Lilly shares, over $2 billion.

Lykes

Tampa, New Orleans et al. Descendants of Dr. Howell Tyson Lykes (d. 1907), who inherited 500 acres near Brooksville, Fla.; became rancher 1870s. With 7 sons, amassed fortune raising, shipping cattle to Cuba. Lykes brothers diversified 1940s: insurance, real estate, steelmaking, natural gas, banking, citrus, ocean shipping. Lost Cuban acreage in Castro takeover. Merged steel operations with LTV Corp. 1978; escaped mostly unscathed from LTV crash 1986. Family bought famed steamship line back from LTV 1983. Own some 350,000 acres Glades County, Fla.; 250,000 acres Texas ranchland. Great-grandson Thompson Lykes Rankin, 51, heads empire. Some 200 family members quietly share estimated $565 million fortune.

Mack

NYC et al. Descendants of Philip Mack, Russian immigrant who founded construction/demolition company at turn of century: "He got his startup capital by putting his money under the mattress." Son H. Bert, grandsons built Mack Co. into pioneer suburban commercial development firm; industrial sites N.J. Meadowlands 1960s, office parks 1970s. Now control over 11 million sq. ft. industrial space, 5 million sq. ft. office space N.Y., N.J., Pa., Fla., Ariz. Slowed down development 1987, ahead of real estate bust: "The time to buy an umbrella is when the sun is shining." Backed Paul Bilzerian Hammermill bid 1986, split $58 million profit; also Arkansas Best 1988. Estimated $300 million or more.

Marriott

Washington, D.C. Heirs of J. Willard Marriott Sr. (d. 1985), rancher's son born in Marriott, Utah; family among early pioneers. Worked way through college. Married 1927, moved to Washington, D.C., with wife started A&W root beer stand. Pioneered airline catering 1937. Opened first hotel 1957; start of worldwide conglomerate of hotels, restaurants, etc. Bought Howard Johnson Co. 1985. Wife, sons run company. Concentrating on lodging, contract services (airport, toll-road concessions); selling off restaurant, food service (Roy Rogers restaurants 1990, airplane catering 1989). Family's stock, other assets worth some $690 million. Bill Jr.: "I have to make sure we do things right. It's my name over the door."

McClatchy

Sacramento et al. Decendants of Irish immigrant James McClatchy, briefly reporter for N.Y. Tribune under Horace Greeley; went West 1849. Four businessmen founded the Sacramento Bee 1857, James editor same year; acquired one-third for $1,800 in 1866, family had full ownership by 1883. Sons C.K. and Valentine editor, publisher respectively; C.K. bought out brother; died 1936. C.K.'s son Carlos, daughter Eleanor ran papers until Eleanor's death 1980. Her nephew Charles took public 1988; died suddenly 1989. Charles' brother James chairman, publisher. Company now 11 dailies, 8 nondailies. Family stock recently worth over $500 million.

McGraw

NYC et al. Descendants of James H. McGraw Sr., schoolteacher who sold magazine subscriptions on side 1800s. Took piece of failing transportation magazine 1888 in lieu of unpaid commissions. Bought more transportation, electricity magazines. Teamed with John Hill, owner 2 similar publications, 1909, formed McGraw-Hill. Hill died 1917. By late 1920s 20 magazines, book business. John's grandson Harold W. McGraw Jr., retired chairman; noted for thwarting $1 billion American Express takeover attempt 1979. Harold's son, Harold (Terry) W. McGraw III executive vice president, heir apparent. Family split into many factions, takeover talk still around, but still controls about 20%, recently worth nearly $470 million.

Mead

Consolidated Papers. Wisconsin Rapids, Wis. George W. Mead (d. 1961), Illinois furniture salesman, sought to settle father-in-law's estate 1902; sought qualified paperman to run hydroelectric, paper conglomerate to no avail; stayed 59 years. Son Stanton ran company 1950-66, modernized; conservationist, philanthropist. Grandson George II joined company 1952, succeeded father as president 1966; navigated lean early 1970s until main customer, magazine industry, recovered. Company still has first coated paper account, also FORBES. Today again tough market, paper surplus: "We're selling very hard." Aggressive $800-million-plus capital spending featuring 2 paper machines. Nearly 80 family members share stock recently worth over $645 million.

Mellon

Pittsburgh area. Founding father Andrew Mellon arrived U.S. 1818. With brother bought farmland. Died 1856. Son Judge Thomas Mellon studied law, attended Western U. Invested in coal, real estate. Started T. Mellon & Sons, predecessor of today's Mellon Bank. Common Pleas Judge, quit 1869: "... I was making too great a pecuniary sacrifice." His sons Andrew, Richard B. turned father's holdings into one of three largest American fortunes pre-WWI (with Rockfeller, Vanderbilt). Andrew leader in creating financial institutions, venture capital (Alcoa, Koppers, Gulf Oil, etc.). U.S. Treasury Secretary 1921-32; reduced national debt from $24 billion to $16 billion. Exonerated after death 1937 of income tax fraud charges. R.B.'s son, Richard King Mellon, managed the family businesses for 30 years, centralized control of fortune in Pittsburgh. Revitalized Pittsburgh: $160-million-plus Mellon funds to Carnegie-Mellon, University of Pittsburgh.

Family fortune, prudently managed, should exceed $4.3 billion. *(See various Mellons, Scaife, May, Conover, Curriers.)*

Milstein

NYC and Scarsdale, N.Y. Morris, founder Circle Floor Co. 1919; floored NYC landmarks: Rockefeller Center, United Nations, etc. Sons Seymour, Paul helped out: Paul later headed Circle; Seymour ran Mastic Tile Corp. of America, both sold by late 1960s. Dove into real estate with 684-unit Dorchester Towers apartments 1964. Milstein Properties built up hotels, 10,000 apartments, offices, etc. Took over United Brands 1975; ran, sold for $40 million profit 1985. Bought ailing Emigrant Savings Bank 1986. Recent real estate woes: defaulted on $100 million mortgage for Normandie Court; restructured. Seymour says company financially strong, honoring nonrecourse debt. Net worth may still exceed $425 million.

Murphy

Murphy Oil Corp. El Dorado, Ark. Banker Charlie Sr., "Mr. Charlie" (d. 1954), built 100,000-acre timber farming empire; discovered oil Louisiana 1920s. Son Charlie Jr. invested $5,000 gift from grandfather in own oil company. Took over Murphy Oil at 21 after father suffered stroke; had to forgo college but taught self classics, languages. Built integrated company with international reserves, refineries through mergers, exploration, reinvestment. Now 70, still chairman. Three sons, 3 other relatives in business; 1 daughter not. Secret of family company: "See that your sisters marry outstanding men." Family owns 26% Murphy stock, Arkansas-Louisiana timberland. Estimated worth: $405 million.

Nordstrom

Nordstrom, Inc. Seattle. Descendants of John W. Nordstrom (d. 1963), Swedish immigrant who went West in 1888 as logger, miner. Made $13,000 in 1896 Klondike gold rush. Opened a small shoe store in Seattle 1901. By 1963 John's sons had built company into largest independent U.S. shoe chain (27 stores). Moved into fashion retailing 1960s, went public 1971; now nationwide. Grandsons John N. and James F. both cochairmen; cousin Bruce A. also cochairman. "We outservice, not outsmart." Recently named 4 nonfamily members as copresidents, promoted 2 fourth-generation Nordstroms. Family shares worth around $1.5 billion.

Norris

Lennox International. Descendants of D.W. Norris, owner Marshalltown (Iowa) Times-Republican, who helped father-in-law get job 1904 by paying $40,000 to buy coal-furnace operations from machinist-inventor David Lennox. Pioneered sheet metal furnaces; business boomed when country went for central heating. Son John Norris developed oil and gas furnaces 1930s. Now estimated sales are more than $1 billion annually; company subsidiaries include Heatcraft Inc. and Armstrong Air Conditioning. Founder's grandson John Jr. took charge 1980. Company stock passes steadily to around 175 family members as gifts; Norris claims, "You start with a lucky gene pool." The family is worth an estimated $430 million.

Ronald Perelman: paying down the bankers

He succeeded as well as anybody in dealmaking his way to a major empire. Now come the asset sales to pay down crushing junk debt. A big question: Can Perelman make what's left of Revlon sparkle in the frenetic world of trendy packaging, marketing and image?

O'Connor

Victoria, Tex. Descendants of Thomas O'Connor (d. 1887), Irish immigrant who arrived Texas early 1830s, fought in Lone Star War of Independence 1836. Built up 400,000-acre ranching empire southern Texas. Two sons expanded, added 200,000 acres out of state, developed Braford cattle (better adapted to Gulf Coast climate). In mid-1930s discovered "Tom O'Connor" oilfield on land, one of largest, most productive in Texas. Family also owns some 2 million shares Victoria Bancshares—a place to keep the money. Steeped in ranching tradition, now adding preservation. Senior family member: "We're just caretakers for the next generation." About 30 O'Connors share fortune believed worth over $450 million.

Pew

Philadephia origin. Joseph Newton Pew Sr. founded Sun Co. (a.k.a. Sunoco) 1886, developed technique to capture and pipe previously wasted natural gas; bought into legendary Spindletop 1901; died at desk 1912. Son J. Howard (d. 1971) president 1912-47, returned as chairman 1963-70. Last Pew to run firm. R. Anderson Pew, 54, great-grandson of founder, heads Sun subsidiary. Robert C. Pew married Steelcase heiress *(see Hunting, Idema, Wege)*; runs that company. Staunch Republicans, Presbyterians, dispersed nationwide. Pew Charitable Trusts among largest U.S.: education, health services, etc.; assets managed through Glenmede Trust. Hundreds of family members own 4% Oryx Energy, 4% Sun Co., etc. estimated $515 million.

Phipps

Pittsburgh origin. Henry Phipps, son of Philadelphia cobbler, became accountant to steel titan Andrew Carnegie, then business partner; got $50 million when Carnegie sold steel mills to J.P. Morgan 1901. Created Bessemer Group 1907 (sentimental: name of moneymaking steel process) to oversee 3 banks, including Bessemer Trust designed for five Phipps children. BG later garnered other clients, grew exponentially. Now manages over $8 billion: $1.8 billion belongs to Phippses. In fifth generation, over 100 heirs including Guests, Mannings, Martins, mostly N.Y., Fla. Litigation galore over Group's tight control of family fortune. Other real estate, shipping, oil, gas interests bring family wealth to some $2.5 billion.

Walter Jr. (left) and Robert Haas **Walter's Oakland A's faltered, but the family's Levi Strauss Dockers hit a homer in a new growth market: aging, thickening boys.**

Pigott

Seattle. Descendants of William Pigott Sr. Made railway cars and trailers for Northwest logging industry; 1905: founded Pacific Car & Foundry. Built tanks, tugs WWII. Son Paul later ventured into heavy-duty trucks. Now, as Paccar, produces "Rolls-Royces" of trucking industry, Peterbilt and Kenworth class-8 trucks. Revenues last year $2.6 billion, down 21% in recession. This year, down nearly 24% more first half. Awaiting turn in economy. Family maintains estimated 40%. Added poison pill against possible black knight, Harold Simmons *(which see)*. Grandson Charles, 61, Paccar CEO, chairman. James, 54, left firm over 10 years ago. More than 30 heirs share Paccar recently worth over $740 million.

Pitcairn

Bryn Athyn, Pa. et al. Progenitor John Pitcairn from Scotland; launched glassmaking plant on Allegheny River 1883; built PPG; d. 1916. Raymond took over business; Theodore became missionary; Harold helped create autogiro. Sons pooled inheritance in family trust. Discontented later generations sold PPG shares 1985. Started Pitcairn Financial Management Group. Began managing outside money 1989; now over $1.3 billion assets (required outsiders' minimum, $4 million). PPG up, Pitcairn now repurchasing. Family assets estimated at least $950 million, some evidence suggests $1.2 billion. "The Pitcairns survived because they have a very strong family culture, a very strong family ethic."

Pulitzer

St. Louis et al. Descendants of Joseph Pulitzer (1847-1911), Hungarian immigrant in St. Louis after Civil War, bought bankrupt Dispatch 1878 for $2,500; stressed muckraking, yellow journalism. Eventually merged with Post; bought out partner. Built chain. Started first grad school for journalism, Columbia, 1903; also Pulitzer awards. Now Pulitzer Publishing owns 3 daily, 20 weekly papers. In broadcasting since 1922; now 7 network-affiliated TV stations, 2 radio, 1 satellite network. Grandsons Joseph Jr., 77, Michael, 61, David Moore, 67, repulsed efforts by outsider Al Taubman *(which see)* to buy shares from discontented family members, bought out dissidents for $187 million 1986. Family fortune exceeds $570 million.

Reed

Seattle et al. Family descended from Sol G. Simpson who cofounded Simpson Timber 1890. "Sleepy lumber company" until 1950s when diversified into papermaking. Reputation for shrewdly buying timber prop-

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Business information. St. Louis, Kansas City and Wichita. Founders: Pam and Murray Sorkin. Idea: wouldn't it be great to have a book wherein you could look up any significant enterprise in a city and find its address, phone, sales, number of employees, year founded, a description of its business, and complete listings of its owners, officers, key personnel and directors? They checked—no such book existed in any city. Result: Sorkins' Directory of Business & Government, first published in St. Louis 1984; expanded to Kansas City 1987, Wichita 1989, Chicago scheduled for 1992, more cities to follow. Spinoffs: Sorkins' on Disk, Sorkins' Mailing Lists, Sorkins' ExecPak Co-op Mailings, Sorkins' Magazine. Editors get information directly from companies with proofs sent out quarterly; telephone follow-up, extensive editing and proof reading. Result: highest quality information available. For information call 314-966-8226.

erties at fire-sale prices, replanting for long term. Today over 750,000 acres West Coast timberland, including 200,000 acres redwood. Value rising with exports to Asia, environmental pressure to limit cutting public lands. Great-grandson William Reed 52, chairman, chief executive since 1971. In 1987, after 3-year legal squabble, last few nonfamily shares bought out; former owners kicking selves over price. Fewer than 50 descendants now own company believed worth $1 billion or more.

Richardson

Greensboro, N.C., Connecticut, et al. Descendants of teacher turned pharmacist Lunsford Richardson, bought drugstore 1890s for $450. Began to develop home remedies under Vicks name he saw in magazine ad for Vick's Seeds. Founded Vicks Family Remedies, predecessor of Richardson-Merrell, with life savings of $8,000, 1905. Son renamed key product Vicks VapoRub; sales surged during Spanish influenza epidemic 1918-19. Wrote 1919: "I had dreamed dreams of a worldwide business." Richardson-Merrell (prescription drugs) sold to Dow Chemical 1981 for $80 million stock. Richardson-Vicks (Clearasil, Nyquil, VapoRub) merged with white knight Procter & Gamble 1985. Close ties among family, now thought worth over $750 million.

Rockefeller (John D.)

NYC, et al. Descendants of John D. Rockefeller, world's first billionaire, founder Standard Oil. Frugal accounting clerk who invested in merchant grain business 1858; put $4,000 into oil refining 1863. Did better than okay: 7 years later Standard Oil of Ohio; went on to form legendary monopoly. Furor led to Standard Oil trust breakup 1911. To marry Abby Aldrich, only son John Jr. gave her father long, earnest recitation of his financial prospects (Mr. Aldrich was won over). Between them, two John D.'s gave over $1 billion to charity—when a billion was still a billion. Jr. had 6 children: daughter Abby, sons J.D. 3rd, Nelson, Winthrop (all deceased) and sur-

viving sons Laurance, David *(which see)*. John D. IV (Jay), one of 4 children of John D. 3rd (d. 1978), was W. Va. governor 1977-84, now U.S. senator (spent over $12 million on 1984 race), has considered presidential bid 1992. Nelson (Rocky) d. 1979, left 6 children; 4-term liberal GOP New York governor, 3-time contender for presidency, Ford's vice president. Combined family fortune estimated $5 billion or more.

Rockefeller (William)

Greenwich, Conn.; NYC et al. Some 75 descendants of William Rockefeller (1841-1922), easygoing brother of John D. Ran Standard Oil of N.Y. (now Mobil) until trust-busted 1911. Had up to 12.5% of trust, plus extensive stock portfolio; director of about 50 public companies. Two sons married daughters of James Stillman, head of National City Bank of N.Y. (now Citibank). William's grandson married niece of Andrew Carnegie. Two daughters married into McAlpin, Dodge fortunes. Family holds blue-chip stocks, land in Greenwich. Sold Cranston Print Works (textile printing) to employees 1987. Some assets managed by Andrew Rockefeller, 61, William's great-grandson. Net worth estimated $300 million.

Rose

NYC. Jerusalem-born David (d. 1986) cofounded Rose Associates with brother Samuel (d. early 1960s) in Bronx 1920s, then Manhattan. One of New York's oldest, biggest apartment builders, managers; now run by Samuel's sons: Frederick builds, Daniel plans, Elihu manages (all Yalies); also 2 of their children in the business. Lesson from father, uncle: "The best fertilizer is the farmer's shadow on every piece of property." Apartments, offices, hotels, shopping centers on East Coast. "They're sitting in a fortunate position, without debt." Converted some 3,000 Manhattan apartments to co-ops, condos. Avoid public eye. Frederick gave $15 million for Lincoln Center arts complex. "The world needs a Lincoln Center more than another shopping mall." Believed over $400 million.

Rosenwald

NYC et al. Inheritance. Julius Rosenwald (d. 1932) moved to NYC from hometown Springfield, Ill.; opened small clothing factory. Invested $35,000 in Sears, Roebuck & Co., bought out Alvah Roebuck 1895, Richard Sears 1913. Pioneered mail order; became world's largest retailer (now supplanted by Wal-Mart). Donated $50 million to educational, other causes. Five children sold most of Sears stake, diversified into real estate, cable TV, magazines, etc. Son Lessing (d. 1979) former Sears chairman, donated art to Library of Congress. Daughter Edith Stern (d. 1980) civil rights activist. Son William, 88 runs investment firm, American Securities Corp.; chairman United Jewish Appeal. Over 100 heirs share fortune believed at least $450 million.

Sammons

Dallas. Heirs of Charles A. Sammons (d. 1988), founder Sammons Enterprises. Built mixed bag of businesses: life insurance, cable TV, etc. Born Oklahoma 1898, orphaned early, raised by aunt; moved to Plano, Tex. 1918 to trade hay and grain: "I couldn't find a job and I didn't know a business." Invested profits in bank stock; bank went bust. Entrepreneur then started insurance business; Reserve Life Insurance Co. Dallas 1938. Later tried cable; now over 900,000 subscribers. Arranged estate to avoid dismembering company: 60% in foundations, 10% in ESOP; 30% in trust for descendants—only daughter, her nearly 20 children and grandchildren. Very low profile family estimated at least $500 million.

Sandler

S&Ls. Husband-wife team founded Golden West Financial Corp., based Oakland, Calif., 1962 with $4 million investment: Herbert, New York lawyer; Marion, Wall Street analyst. Shared simple dream: slice of residential mortgage market. During fast-buck 1980s, "Wall Street crucified us." No longer. Golden West doing just fine. Herb, 59, is the big-picture partner; Marion, 60, thrives on financial analysis. Sticking mostly with adjustable-rate mortgages; tight control, no frills, no corporate jet. Marion's brother, Bernard Osher, built auction house Butterfield & Butterfield, now considered third behind Sotheby's and Christie's. The three own 14% Golden West recently worth $360 million.

Scripps (E.W.)

Cincinnati origin. Descendants of populist Edward Wyllis Scripps, who at 24 launched Cleveland Press 1878. "Damned old crank," founded UPI, built nation's once-largest newspaper chain, Scripps Howard. Many properties since sold or folded. Family feuded: bitter split 1900s from half-brother James who formed competing firm; E.W.'s grandson James G. left to found separate Scripps League; other grandson John P. departed 1928 to establish own chain (remerged with others 1986). Original E.W. Scripps Co. went public 1988. United Media syndicate ("Peanuts," "Garfield," etc.); 19 dailies; 80% Scripps Howard Broadcasting (9 TV, 5 radio, cable). E.W.'s 32 descendants' stock, other assets worth some $1.4 billion.

Scripps (J.E.)

Detroit area et al. James Edmund Scripps (1835-1906), English immigrant, came to Illinois in 1844. Created "people's press": short, simple stories for hoi polloi, watershed break from contemporary elitist papers. Began Detroit News 1873; sold farm to pay vast debt. Big success; started chain. Messy rift with half-brother *(see above)* early 1900s. Formed Evening News Association via mergers. Separate chain founded by George Booth, Scripps executive who married into family. Heirs ran companies separately, profitably. Booth Newspapers sold 1976; ENA sold to Gannett 1985. This year, 2 sides of Scripps family had reunion—last one 100 years ago. Over 100 descendants share estimated $900-million-plus.

Searle

Chicago. Great-grandfather Gideon Searle bought Indiana drugstore after Civil War, built early drugstore chain. As G.D. Searle, made pharmaceuticals from 1888. Gideon's grandson

John ran huge moneymaker 1936-66: Dramamine, first oral contraceptive, etc. Under his son Daniel (CEO 1966-77) company stalled; brought in Donald Rumsfeld, former Defense Secretary, who saved company; Food & Drug Administration approval aspartame (marketed as Nutrasweet). Sold out to Monsanto 1985. Siblings Daniel, 65 (recently sold art collection for $34 million); William, 63; Suzanne, 60, oversee investments. Recently broke up venture capital firm, Earl Kinship Capital Corp. Family fortune still believed worth at least $800 million.

Segerstrom

Orange Co., Calif. Charles John Segerstrom arrived U.S. from Sweden 1882 with wife, 11 kids. Tenant farmers on 40 Orange Co. acres; bought more land with 4 youngest sons; d. 1928. By 1950s C.J. Segerstrom nation's leading grower large lima beans. Developed some real estate: industrial space, shopping centers, offices. Firm now headed by grandson Henry, 68; mother Nellie Ruth, 93; cousin Harold Jr., 63. "They never made a decision and left the room unless [they all] supported it." Built nation's largest mall, South Coast Plaza, Costa Mesa, Calif. 1967: 2.7 million square feet, annual sales over $600 million. Three partners in very private company with equity estimated over $375 million.

Smith

Chicago. Banking family with significant stake in Northern Trust backed two Swedish toolmakers who founded Illinois Tool Works 1912. Smiths eventually assumed control of tool company, later expanded into fasteners. Today also makes packaging systems, medical and computer supplies, engineering components. Developed plastic 6-pack carrier 1960s. Recently acquired Eagle Industries division, DeVilbiss, a manufacturer of industrial finishings and coatings. ITW's 1990 sales topped $2.5 billion. Family still active: Edward Byron Smith, 82, on board; Harold Jr., 57, chairs executive committee. Smiths' 28% ITW, 18.5% Northern Trust, recently worth at least $1.2 billion.

Gerald Davis

William Ziff: focusing on a new empire

He has run the family magazine publishing business, now called Ziff Communications, since he was 24. In 1985 he sold most of the old titles, but he kept and added to the computer magazines—including the biggest, PC Magazine (circ. 800,000). In less than a decade the company has risen to number one in the U.S. and number two worldwide in computer publishing revenues, and made its owner a billionaire.

Smith (Charles E.)

Washington, D.C. Patriarch Charles, 90, Russian immigrant, began building in Brooklyn; ruined in Depression. Moved to D.C. Lost shirt again, considered job bar & grill; wife talked him out of it. Built apartments. Son Robert joined father 1950. Assembled land: railroad yard in Arlington now vast Crystal City development. Now own 16.5 million sq. ft. commercial space; 22,000 residential units D.C. area. Charles retired to philanthropy (Jewish charities, Geo. Washington U.). Forgave $120,000 mortgage, gave $20,000 cash to retired Justice William Brennan Jr. Business run by son Robert, 63, son-in-law Robert Kogod, 50s. Three share one of D.C.'s biggest real estate empires, estimated $800 million.

Smith (Dee Glen)

Smith's Food & Drug Centers. At age 7, Dee Glen Smith (d. 1984) began working in family's mom-and-pop grocery Brigham City, Utah, 1933. Went into family business 1945 for good. By 1968 eight stores; during 1970s began acquiring, expanding into surrounding states. Developed food-fair concept, gaining exposure and goodwill at celebrity-filled annual events. Offered combination of low-priced goods, not all foods, convenient locations. Company went public 1989, now runs over 100 supermarkets and supermarket/drugstores in the Southwest and Mountain states. Dee's sons run company: Jeffrey, chairman since 1988; Richard, now president; Fred, director. Family's stock, proceeds from stock sales, recently worth over $390 million.

Stroh

Detroit. German brewer Bernhard Stroh arrived Detroit 1850 with $150; delivered beer door-to-door in wheelbarrow. Family company survived Prohibition selling ice cream (still does in Michigan, Ohio, Illinois). Great-grandson Peter, now CEO, led acquisition of F&M Schaefer 1981 for $70 million, Schlitz 1982 for $500 million. Competition tough, beer revenues down (low-priced brands include Old Milwaukee, Schlitz), sold interest in Spain's largest brewery 1990 for reported $335 million, recently sold facility in Texas. Peter very active in anti-alcohol-abuse campaign. Also real estate:

developing large facility downtown Detroit. Over 30 family shareholders hold estimated $500 million interest.

Stuart

LA; NYC; Bellevue, Idaho et al. Grandfather Elbridge Amos Stuart founded Carnation Co. 1889 Kent, Wash. Paid $25,000 for evaporated milk process; supplied prospectors en route to Yukon. Down the road: Coffeemate, Instant Breakfast, Friskies, etc. Sold to Nestlé 1985. Grandson Dwight, 68, divorced 4 times; 5 children. Company president 1972-83; decided to sell family's 33% shares to Nestlé while in alcohol detox treatment. Brother Elbridge, 74, married to noted paleontologist Marion Butler Stuart; 3 children. Carnation VP to 1961; lives on isolated Idaho ranch. Two cousins live very privately in California. Family believed worth some $800 million.

Stryker

Medical supplies. Kalamazoo, Mich. Grandchildren of Stryker Corp. founder Homer, an orthopedic surgeon. Company grew by pioneering specialty stretchers, hospital beds and medical equipment. Products now also include orthopedic implants, drills, saws, etc., often used by orthopedic surgeons. Sales grew to $281 million 1990, up 24%. International sales 29%: 80 countries, most volume in Europe and Far East. Three siblings Ronda, Patricia and Jon share family trust. Patricia and Jon not active in company. Ronda, 36, a director; also trustee, Kalamazoo College. Rising stock split 5 times 1980s, first 1990s split June. Family trust holds 24%, recently at 50 times earnings; priced at $370 million.

Sulzberger

The New York Times Co. NYC. Proprietor of Tennessee newspaper, Adolph S. Ochs, bought ailing New York Times 1896 for $75,000. Built Times to one of world's most respected newspapers. Only child Iphigene married Arthur Hayes Sulzberger 1917, son of cotton merchant. Adolph died 1935, Arthur took over. Followed by Iphigene's son-in-law, 1961, who died 1963; then Iphigene's son Arthur Ochs (Punch) Sulzberger. Revamped staff, newspaper, expanded coverage. Diversified other papers, magazines, electronic media. His son, Arthur Jr., deputy publisher. Iphigene died Feb. 1990; Punch now presides over family trust, stock worth about $500 million.

Swig

San Francisco. Heirs of Ben Swig, Bostonian partner with Jack Weiler *(see family)*. Jack stayed NYC, Ben to SF 1946. Extremely philanthropic: "Give it away while you're alive, because there are no pockets in shrouds." Families built, bought commercial, hotel, residential properties. Swig, Weiler & Arnow now controls over 5 million sq. ft., mostly office space NYC, SF. Swigs own posh SF Fairmont Hotel, 4 sister Fairmonts nationwide, bought out "non-growth-oriented" Weilers' 50% 1982. D.C. Fairmont in works. Ben's sons: Richard, 66, chairman; Mel, 74, does the real estate. Brother-in-law Richard Dinner, 70, retired. "We're being very cautious in this market." Estimated worth $400 million.

Taylor

Publishing. Boston origin. Ailing Boston Globe resuscitated 1872 by General Charles H. Taylor with funding from Eben Jordan *(see family)*. Exercised option from Jordans to buy half. Globe managed by three successive Taylor generations, now largest New England paper. William O., 59, great-grandson, chairman umbrella Affiliated Publications. Fifth generation well up in company. Prescient 1981 investment in cellular phone startup, McCaw Cellular, boosted stock manifold; McCaw spun off to shareholders 1989; family members sold most of their McCaw stock. With nearly 19% Affiliated, McCaw proceeds, 100-member clan has plenty to write about: estimated at least $455 million.

Temple

Diboll, Tex. origin. Descendants of Thomas Louis Latane Temple Sr., owner 7,000 East Texas acres, founder Southern Pine Lumber Co. 1893. Son Arthur inherited 200,000 acres, company saddled with debt at father's death 1934; survived. Grandson Arthur Jr., now 71, drove company on to half-million-acre forest, 1973 earnings $9.6 million; developed innovative selective harvesting methods. Merged with Time Inc. 1973; Arthur Jr. Time vice chairman 1978-83. Temple-Inland spun off 1984. Retired this year as chairman; now chairman emeritus. Opposed Warner Communications deal, quit Time board 1989. Temple-Inland expanding mortgage banking, S&Ls. Son Arthur III (Buddy), 49, now runs family real estate investments. Fortune estimated over $710 million.

Turner

Grills, sports apparel, Coca-Cola stock. Columbus, Ga. W.C. Bradley founded company of same name 1885, currently in real estate, timberland, Sports Fantasy apparel stores and manufacturing; also barbecue grills. Now controlled by grandchildren William B. Turner, 68; Sarah Turner Butler, Elizabeth Turner Corn. Next generation: W.B. Jr., 39, is president; Stephen Turner Butler, 40, chairman, CEO. Also family investments: 10% Synovus Financial, etc.; 0.6% Coca-Cola stock since early in century. Bradley-Turner Foundation supports religious, educational charities. "Specializing in their own backyard," explains employee, and worth over $400 million doing so.

Upjohn

Kalamazoo, Mich. Descendants of William Erastus Upjohn who got pill-making patent, began Upjohn Pill & Granule Co. 1885. Brothers joined; company grew fast; changed name to the Upjohn Co.; William later bought out brothers. In 1929 appointed nephew Lawrence president and stepson Donald Gilmore vice president 1930. William died 1932. Family appointed first nonfamily chairman 1987. William Parfet, great grandson of William Erastus, now president. Company states it will stay independent, despite takeover rumors. Family's 15% recently worth over $1.2 billion.

Ward

Real estate. Honolulu. Descendants of Curtis Perry Ward—Kentuckian who sailed to Hawaii in 1853—and part-Hawaiian wife Victoria Robinson. Hobnobbed with Hawaiian royalty. Ward ran very profitable horse and carriage company, but also had eye for real estate. He bought land—to build Southern-style homes—later turned into an estate called Victoria Ward Ltd. Ward daughters married Hustaces and Wodehouses, heirs control the estate—now 65 acres of prime urban Honolulu commercial, industrial properties. Estate incorporated 1930, functions as leasing/management company. Edward C. Hustace, 72, manager and director since 1946 of estate estimated worth $500 million.

Watson

Armonk, N.Y. origin. Family descended from Thomas John Watson, "World's Greatest Salesman," born 1874. Started $6-a-week bookkeeper job; president Computer-Tabulating-Recording Co. 1914. Bought shares. Renamed International Business Machines 1924. Created, dominated markets for punch card accounting equipment; saw commercial potential early Univac computer. Died 1956, age 82. Thomas Jr. only one of 4 children still living. Ran IBM to 1971, built Computer Age: mainframes to silicon chips. Today, Thomas Jr., 77, sails, flies stunt planes at Maine estate. No Watson at company. IBM losing market share, stock down. Family believed to still own shares worth some $500 million. "Think."

Weiler

NYC. Family of Jack Weiler, 87, son of Ukrainian Talmudic scholar, operated in NYC while partner Ben Swig *(see family)* handled Boston, then SF. Top lease broker for big retail chains 1940s, 1950s. Pair invested in properties. Now Swig, Weiler & Arnow owns some 5 million sq. ft. office space. Sold half of Fairmont Hotel chain to Swigs 1982. Still partners in all else. Jack devoted to Jewish charities: "Philanthropy comes first, ahead of my business." Built homes for Israeli immigrants after WWII. Son Alan, 57, company attorney, actively involved; son-in-law Robert Arnow, 67, also active. Conservative Weilers share fortune estimated at $300 million. "Take us off the list, you won't hurt our feelings."

Weyerhaeuser

St. Paul, Tacoma, et al. German immigrant Frederick Weyerhaeuser (1834-1914) bought employer sawmill out of bankruptcy 1857 with brother-in-law. Expanded; logged swath in north central, Pacific states. Acquired 900,000 acres at $6/acre from railroad pioneer James Hill 1900; formed Weyerhaeuser Co. Business empire included some 200 related companies (biggest: Potlatch) with interlocking directorates. Infuriated muckrakers, Teddy Roosevelt. Today environmentalists call company "best of s.o.b.s." Great-grandson George, 65, retired as CEO in July; first time in company's 91 years not run by family member. Some 250 family members share 10% of company, other assets; estimated worth some $920 million.

Whittier

Southern California. Descendants of Mericos H. (Max) Whittier, cofounder Belridge Oil 1911 with 4 partners: bought option on property in Bakersfield when he found oil seeping from ground; president until death 1925. Son Leland president 1965-79. Two families sold out to Texaco, Mobil 1930s; Whittier, Buck, Green families sold to Shell for $3.6 billion 1979. Max's 4 children got $475 million after taxes (last surviving child, N. Paul, died in August). Family has oil company, M.H. Whittier Corp. Charitable family: Max's daughter gave eye institute to Scripps Foundation, Asia Complex to San Diego Zoo. Fortune should be $650 million, if kept up with inflation.

Wirtz

Chicago. Heirs of Arthur Wirtz, son of Chicago policeman, built fortune in Chicago real estate beginning 1922; by 1927 owned or managed 80 lakefront buildings. With grain speculator James Norris bought more at Depression prices. Brought skater Sonja Henie to U.S. 1936, acted as financial adviser, producer. Acquired string of sports arenas, including Madison Square Garden; split up by antitrust suit 1957. Died 1983. Eldest son William, 62, manages family's liquor distributorship (among largest Minnesota, Illinois), real estate, banking, hotel interests. Also Chicago (hockey) Blackhawks, share of (basketball) Bulls. New Chicago sports complex ran afoul local community. Believed worth $550 million.

Wolfe

Columbus, Ohio, et al. Descendants of brothers Robert and Harry, who amassed fortune from Wear-U-Well shoes. Family entered media: bought Columbus Dispatch 1905; much later 2 TV, 2 radio, Ohio magazine. Also banking, real estate. Grandson Edgar Jr. died in plane crash 1975. Edgar III died of AIDS 1985; family feud over estate. Republican family, considered Ohio political institution. Avoid public eye. "The unwritten family policy has been not to get too far out front on things." Grandson John W., 63; his cousin John F. (publisher, CEO of Dispatch), direct 14-member family's affairs. Ohio magazine faltering; rest of media alive and well. Dispatch, broadcast outfits, stock make up fortune estimated over $500 million.

Yates

Artesia, N.M. First commercial wells on New Mexico side of Permian Basin drilled by oilman Martin Yates Jr. 1921. Family legend: dry well after dry well until his wife picked site; then hit gusher. Built rapidly 1920s: constructed pipeline, refinery. Sold refinery during Depression. Martin's sons—Harvey, Saint [illegible] Peyton (S.P.), Martin III and [illegible]—joined business, further built up [illegible]s Petroleum. Harvey left 1963 after disastrous foray into mining forced sellout to his brothers; bounced back, rebuilt oil fortune as Harvey Yates Co. (Heyco). Third generation following second, active in family business or on own (Harvey Jr. runs Cibola Energy Co.). Total family net worth estimated $440 million.

It's hard to get to the top, and it's not easy to stay there. In the last year, 47 individuals dropped off The Four Hundred. Of these, 41 were pushed off by economic setbacks or were surpassed by other achievers.

For whom the slope was slipperiest

Died

Blaustein, Morton. Baltimore. Trained geologist, chairman of his family's American Trading & Production Corp. (extensive interests oil and gas, real estate, tankers, manufacturing, investments). He choked to death while eating, age 64. Fortune was believed to be worth some $700 million.

Greenewalt, Margaretta du Pont. Greenville, Del. 89. Survived by husband, president Du Pont 1948-62. Portion of inherited wealth left to her siblings, all of them children of Irénée du Pont Sr. *(see du Pont family).*

Heinz, Henry John III. Fox Chapel, Pa. Republican senator since 1976, heir to H.J. Heinz food fortune. Died age 52 when a plane he was flying in collided with a helicopter. One of the country's richest politicians: personal holdings worth over $500 million 1990.

Paley, William S. NYC, Southampton. Built group of small radio stations into CBS. Company problems aboil, allied with Laurence Tisch *(which see)* 1986, returned to company as chairman 1987. Remained active despite bad health until death October 1990 at age 89; fortune estimated $460 million.

Weinberg, Harry. Honolulu. Was one of largest individual landowners on island. Died November of bone cancer, age 82. All but $3 million of estimated $950 million estate was left to Harry and Jeanette Weinberg Foundation.

Woodner, Ian. NYC. Architect, developer, art collector died Nov. 1 of heart attack, age 87. Helped design Central Park Zoo, 1939 World's Fair. Important collector of Old Master drawings, other artworks. Estimated $310 million 1990.

Declined

Brown, Harold. Boston. 66. Move into office buildings at peak 1980s prices made him vulnerable to Northeast's real estate debacle. After Chapter 11 filing in March, Brown restructured debt. Comeback possible someday. Maybe.

Clark, Alfred James. Easton, Md. 63. Clark Construction Group not constructive enough, Washington, D.C. real estate power's net worth may no longer be as high as $275 million in soft real estate market.

Cohen, Arthur G. Kings Point, N.Y. 61. Estimated over $300 million 1990, but combination of real estate recession and real estate debt levels believed to put him well below minimum this year.

Cox, Edwin Lochridge Sr. Dallas. 70. With oil, gas production, values down, believed too far below 1990's $300 million estimate this year.

Crain, Gertrude Ramsay. Chicago. 80. Estimated $275 million in 1990. Continuing publishing recession further depressed magazine values, even at Crain Communications.

Daniels, Bill. Denver. 71. A casualty of declining cable TV valuations. Daniels' cable systems, networks (Prime Ticket, etc.) now believed well below the $325 million estimated last year.

Dreiseszun, Sherman W.
Morgan, Frank Sherman
Uncle, nephew. Kansas City, Mo. 67 and 64. Between real estate assets and banks, their cupboards are looking a little barer this year.

Duchossois, Richard Louis. 70. Barrington Hills, Ill. Last year estimated $350 million. But railcar manufacturing slump, uninspired management, emphasis on unprofitable racecourse explain fall from list.

Flatley, Thomas John. 60. Milton, Mass. Irish immigrant invested primarily in New England real estate, last

year estimated at $550 million; revised debt estimate, weak market change picture.

Galbreath, Daniel Mauck. Columbus, Ohio. 63. Debt, increasing vacancy rates created cash flow problems, particularly on property developed, acquired in pricey 1980s. Also suits on debt defaults, payout on recent divorce settlement. Net worth now well below minimum.

Galesi, Francesco. 60. NYC. Another casualty of real estate recession; cheap properties, net of estimated leverage, now believed worth about half last year's $435 million.

Gould, Kingdon Jr. Laurel, Md. 67. Great-grandson 19th-century capitalist Jay Gould. Current tender real estate market hurts net worth estimated $300 million last year.

Kalikow, Peter Stephen. NYC. 48. Estimated over $500 million 1990. Plunging real estate values forced Chapter 11 filing, which still claimed $490 million net worth. Owes more than $1 billion. Banks want control of all properties, including New York Post. Off our list.

Lerner, Theodore Nathan. Chevy Chase, Md.; Palm Springs. 65. Even malls believed not-so-hot values this year; waiting on development plans for land around Dulles Airport.

Mugar, David. Boston. 52. Owns CBS affiliate in Boston, WNEV-TV, as well as radio interests. With media properties down this year, believed to be worth well below $275 million.

Paulson, Allen Eugene. Savannah, Ga. 69. Repurchased Gulfstream Aerospace Corp. 1990 with Forstmann Little for $825 million; heavy debt forces estimate down from 1990's $325 million.

Paulucci, Luigino Francesco. Sanford, Fla. 73. Made a bundle long ago with Chun King and Jeno's pizza, but his Florida real estate is faltering today. Orlando's exclusive Heathrow development still unfinished after nearly 2 years. Net worth now estimated $250 million or so.

Perdue, Franklin Parsons. Salisbury, Md. 71. Checks with industry experts suggest Perdue Farms worth substantially less than previously thought.

Pilaro, Anthony Martin. Southampton, N.Y. 55. Duty Free Shoppers feeling weakness in tourism, rising costs of doing business. Pilaro's 10% share now believed worth well below 1991's minimum.

Posner, Victor. Miami Beach. 73. With visible stock holdings collapsing and real estate in decline, what we can see is far below this year's minimum. But watch next year.

Sedwick, Jud. Butler, Pa. 77. Decreased values in cable TV industry slash Jud's 1990 $315 million estimate to well below our $275 million cutoff this year.

Simon, Herbert. Indianapolis et al. 56. Shopping mall developer splits business with brother Mel 30/60. This year, Mel estimated at $300 million, so. . . .

Zuckerman, Mortimer Benjamin. NYC et al. 54. Fortune estimated at $375 million or more 1990, but with his real estate mostly in the depressed Northeast, equity has no doubt shrunk drastically.

Left behind

Draper, Irene Carpenter and family. Montchanin, Del. 80. This du Pont and family not clearly worth $275 million or more. Others are richer.

Lunger, Mary Jane du Pont and family. Wilmington. 77. Another rich du Pont, but not clearly rich enough this year.

McEvoy, Nan Tucker. San Francisco. 72. Her share San Francisco Chronicle, etc. still believed worth $270 million, some $5 million below 1991 cutoff.

Mellon, Richard Prosser
Mellon, Seward Prosser
Milbury, Cassandra Mellon
Ligonier, Pa. 52; 49; 51. These surviving adopted children of the late Richard King Mellon have trusts believed worth at least $800 million. But that's split three ways.

Realigned

Graham, Katharine
Graham, Donald E. and family
Washington, D.C. Mother, 74, son 46, share control of Washington Post Co.; stock recently worth $360 million. Cited this year as family entry.

Kaskel, Howard. NYC. 54. Interests attributed solely to him in previous years reported shared equally with 2 sisters, their families. Now cited in family entry.

Milstein, Paul
Milstein, Seymour
NYC. 69; 71. The brothers' NYC hotels, apartments, office buildings much less valuable this year in the real estate recession, but worth a family entry.

Removed

Disney, Lillian Bounds
Lund, Sharon Disney
Miller, Diane Disney
LA. Walt Disney widow Lillian, daughters Diane, 58, and Sharon, 54, said by their attorneys to have "gifted" or sold numerous family Disney shares over the years. No public documentation known; removed pending resolution.

Gruss, Joseph S. and family. NYC. 88. Revising previous double-counting of some oil assets cuts estimated value down to $270 million.

Penske, Roger. Red Bank, N.J. 54. Cars and engines. Former race car driver who bought fledgling Detroit Diesel late 1980s. Turned company around. His percentage ownership appears less than originally believed.

Riklis, Meshulam. Beverly Hills. 67. May still have more than enough to make The Four Hundred, but known investments are the troubled Riviera Casino and real estate. With the industry in a slump and his casino suffering cash flow problems, he is off the list pending further information on his wealth. Skipping his Trump Tower office with rent unpaid another troubling sign. ■

Some of the people who slipped off The Forbes Four Hundred didn't slip off very far. Others, meanwhile, keep moving up and are knocking at the gate.

Maybe after the recession?

Lowell Jay Milken

Investments, junk bonds. Los Angeles. 42. Married, 3 children. U. California Berkeley, UCLA Law School. Short stint as lawyer; joined Drexel Burnham Lambert, brother Michael 1978 in fledgling junk bond operation. Became brother's behind-the-scenes right-hand man. Advised on tax law, managed side investments: real estate, securities. Salary 1984-87 over $100 million. Involved in numerous partnerships with brother. Indicted for racketeering. Mike bargained with prosecutors—demanded charges against Lowell be dropped for guilty plea. Government obliged (but Drexel suing both). Mike jailed; Lowell free. And rich. Net worth believed nearly $275 million; his lawyers deny.

Jennifer Johnson Duke
James Loring Johnson

Princeton, N.J. Two youngest children of John Seward Johnson (d. 1983). Father inherited portion of Johnson & Johnson pharmaceuticals empire and set stage for enormous 1986 legal battle between his 6 children and third wife Barbara Piasecka Johnson *(which see)*. Jennifer and James each got $6.2 million; main wealth from 1944 family trusts. Jennifer: Jacksonville, Fla. 50. Divorced, remarried; 2 children from first marriage. Portrait photographer. Untouched trust worth at least $275 million. James: Hunterdon County, N.J., East Hampton, N.Y. 46. Married; 2 children, 4 stepchildren. Operates farm; skilled painter. Also $275 million. Total for 5 living children, $980 million.

Karsten Solheim

Golf clubs. Phoenix. 80. Married, 4 children. Born Bergen, Norway; son of cobbler. To U.S. 1913. University of Washington, engineering, 1 year; ran out of money. Ran shoe repair shop 1930s; sold cooking utensils during WWII. Joined GE 1953; helped develop first portable TV, rabbit-ear antenna. Took up golf 1954; got hooked. Fixed putting game with own, improved putters. Named clubs Ping, for sound when striking ball. Pros bought: Boros, Nicklaus. Added irons 1969. Had son drive car 100mph, hung clubs out window to test air drag. Sales estimated over $110 million, margins *very* high. Also aluminum parts for defense, space shuttle. Net worth estimated $270 million.

Frank Sherman Morgan
Sherman W. Dreiseszun

Nephew, uncle. Real estate, banks. Kansas City, Mo. Frank: 64. Divorced, 5 children. Sherman: 67. Married, 2 children. Frank (son of European immigrant) traveling salesman, fatherless in high school, Navy storekeeper third class WWII. Quit college, joined youthful Uncle Sherm manufacturing women's sportswear 1950; duo started first Kansas City bank and shopping center 1964; work intensely, privately: "It's like they're married." Banks now have assets over $4 billion, though one property recently taken over by RTC; real estate worth at least $200 million. Morgan fanatic sports enthusiast. Two control visible assets through myriad trusts, straw men; pair worth at least $540 million.

Mortimer Benjamin Zuckerman

Real estate. NYC, Washington, D.C., Aspen. 54. Single. Born Montreal, father a candy and tobacco wholesaler; 2 law degrees (including Harvard), Wharton M.B.A. Joined Cabot, Cabot & Forbes 1962, made $5 million in 5 years. Launched Boston Properties 1970; pal Edward Linde joined to build warehouse, office space Boston,

Washington, D.C. Later NYC. Now over 11.5 million square feet. Developments for NASA, Comptroller of Currency, federal judiciary in works. Second career, publisher: bought Atlantic Monthly 1980; U.S. News & World Report 1984 (with real estate); sold building to Japanese for unprecedented $490/sq. ft. 1987. Becoming "a voice in public affairs." Amid real estate decline, may still exceed $265 million.

Bill Daniels

Cable TV. Denver. 71. Four divorces, 2 stepchildren. Navy fighter pilot WWII, Korea; astounded by TV in Denver restaurant 1952, found oilmen to back coaxial cable system wiring local living rooms. By 1958, dominant industry banker, broker: "I would leave town on Christmas Day to do a deal." Business fell from 1980 as competition stiffened. Admitted drinking problem to employees 1985; detoxed at Betty Ford Clinic, emerged to rebuild. Sold bulk of cable operations 1988 to UAE, portion of brokerage to employee group; currently building new sports networks (Prime Ticket and Prime Network). Gave $10 million to U. of Denver for M.B.A. program emphasizing ethics. Estimated over $265 million.

Franklin Parsons Perdue

Chickens. Salisbury, Md. 71. Twice divorced, remarried; 4 children from first marriage. Quit teachers college to join father's egg business. Switched to broilers 1940; post-WWII chicken boom put many feathers in company coffers. Added feed, processing; created one of first integrated chicken operations; then built industry's first brand name. Perdue nation's 4th-largest, 1990 sales $1 billion. Frank celebrity from own ads: "It takes a tough man to make a tender chicken." So tough he met with NYC godfather Paul Castellano to block union organizers 1980. Stepped down as chief executive in 1988. Frank's 90% estimated $260 million.

Anne Hendricks Bass

Divorce. NYC. 50. Split with Sid Bass 1989 after 21-year marriage; 2 daughters. Indianapolis-born, surgeon's daughter; Vassar. Self-proclaimed perfectionist, "Sharing beauty with family and friends is, in part, a responsibility." Former Fort Worth socialite, now Manhattan socialite: International Council of Museum of Modern Art; Board and Executive Committee NYC Ballet; "I'm there to support, I'm there to believe in the artists and let them flourish." Personal best staging fundraising galas: $650,000. Settlement with Sid included 1.36 million shares Disney stock, $5 million Fifth Ave. apartment; Degas, Rothko, Monet. Net worth estimated $260 million. ■

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Had you invested in the public companies underlying many of the fortunes in the first Forbes Four Hundred issue (and held on), your net worth would be getting up there, too.

Coattails to ride

By Wendy Tanaka

IN THIS, our tenth year of publishing The Forbes Four Hundred, we thought we'd see how the publicly owned stocks behind the fortunes on our first issue's list have performed over the decade. The results are impressive. That first edition included fortunes based on the 61 publicly held stocks listed below. As a group, they have risen 295% (excluding dividends), compared with 220% for the S&P 500. To put it another way: Had you invested $100,000 in each of these 61 issues when you picked up the very first Forbes Four Hundred in the fall of 1982, your $6.1 million would now be $24 million. Invested in the S&P 500, the principal would have grown to $19.5 million.

Only four of those original stocks that are still traded are down. Wang Labs is off 84% since 1982. The others—DWG, Pennsylvania Engineering and NVF—are linked to abrasive financier Victor Posner. (When Mary Kay Cosmetics went private and A.C. Nielsen was acquired, their last public trades were below their 1982 prices.) All the rest are up, at least a bit. Fifty have outpaced inflation; some have been extraordinary winners. Among the latter: Warren Buffett's Berkshire Hathaway, up 1,462%; Leslie Wexner's Limited, up 2,072%; Sam Walton's Wal-Mart, up 2,138%.

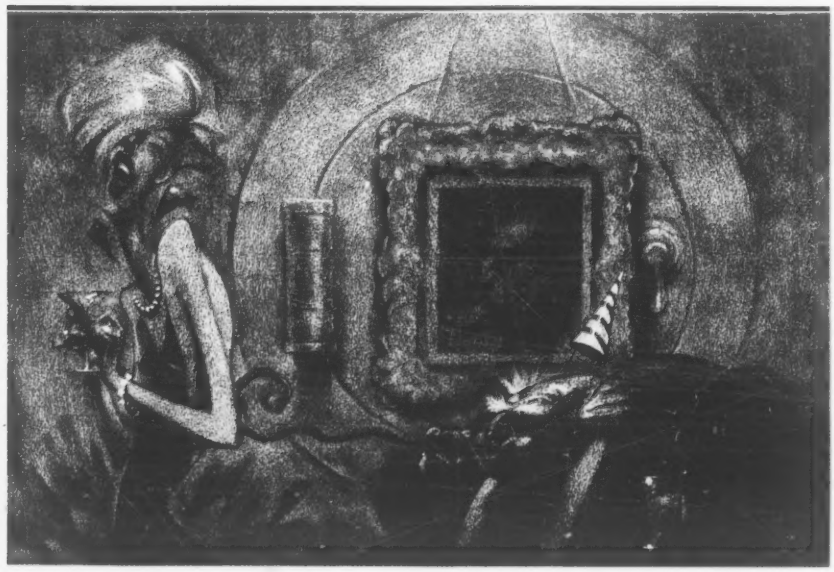
Time will tell

Name/company	1991 value of $100,000 investment	% change	Name/company	1991 value of $100,000 investment	% change
■ **Abercrombie**/Cameron Iron Works	$139,583	40%	**Manuel**/Premier Industrial	$457,851	358%
Albertson/Albertson's Inc.	834,356	734	**Marriott**/Marriott	188,401	88
■ **Belfer**/Belco Petroleum	171,795	72	**Mitchell**/Mitchell Energy & Dev	133,085	33
Blaustein/Crown Central Petro	1,211,429	1111	**Moore**/Intel	435,338	335
Brown/Brown-Forman	331,343	231	■ **Nielsen**/AC Nielsen	94,835	–5
Buffett/Berkshire Hathaway	1,562,500	1462	**Olsen**/Digital Equipment	156,740	57
Busch/Anheuser-Busch	535,579	436	**Paley**/CBS	339,247	239
Cox/Dow Jones	156,122	56	■ **Perot**/Electronic Data Systems	256,934	157
■ **Darrin**/Automatic Switch	133,977	34	**Petrie**/Petrie Stores	204,348	104
De Menil/Schlumberger	204,930	105	**Posner**/DWG	95,200	–5
Disney/Walt Disney	807,018	707	**Posner**/NVF	2,174	–98
Dorrance/Campbell Soup	868,874	769	**Posner**/Pennsylvania Engineering	1,087	–99
Du Pont/EI Du Pont	401,106	301	■ **Robins**/AH Robins	251,667	152
Ford/Ford Motor	504,167	404	■ **Rogers**/Mary Kay Cosmetics	80,420	–20
Fuqua/Fuqua	204,310	104	**Rollins**/Rollins Inc	237,365	137
Galvin/Motorola	275,258	175	■ **Shakarian**/General Nutrition	176,923	77
■ **Getty**/Getty Oil	237,762	138	**Singleton**/Teledyne	354,687	255
Graham/Washington Post	576,101	476	**Smith**/General Cinema	180,653	81
Grainger/WW Grainger	441,468	345	■ **Taper**/First Charter Financial	204,310	104
Heinz/Heinz	710,662	611	**Thorne**/Commerce Clearing House	120,720	21
Hess/Amerada Hess	229,703	130	**Turner, Ted**/Turner Broadcasting	563,636	464
Hewlett, Packard/Hewlett-Packard	194,756	95	■ **Turner, Tom**/Sigmor	104,478	5
Hilton/Hilton Hotels	225,784	126	**Vollum**/Tektronix	145,988	46
Jobs/Apple Computer	544,000	444	**Walton**/Wal-Mart	2,237,762	2138
■ **Keck**/Superior Oil Co.	148,963	149	**Wang**/Wang Labs	16,495	–84
■ **Kerkorian**/MGM/UA	127,778	28	■ **Wasserman**/MCA	289,051	189
Kerkorian/MGM Grand Hotel	175,439	75	**Weis**/Weis Markets	334,756	235
Kieckhefer/Weyerhaeuser	141,548	42	**Wexner**/Limited	2,172,298	2072
Knight, James/Knight-Ridder	302,857	203	**Woodruff**/Coca-Cola	934,545	834
Knight, Philip/Nike	211,828	112	**Zimmerman**/Pic 'N Save	197,101	97
Kroc/McDonald's	398,104	298	Total	$23,977,195	295%

■ For all merged or acquired companies, the 1991 price is based on per-share value at time of transaction.

Nearly all these stocks had a controlling stockholder with an owner's interest in their progress in 1982. Is their superior overall performance chance? After ten years, it seems unlikely.

Rules of the chase



OUR ESTIMATES of people's net worth are deliberately conservative. It is possible to say with some confidence that a person is worth more than a given amount; it is often extremely difficult or impossible to establish exactly how much more. Our basic operating principle is to think in terms of how much a prudent buyer, knowing what we know, might be willing to pay for a person's net assets.

To arrive at coherent estimates of wealth, FORBES adopts a number of basic rules:

■ Blocks of publicly traded stock are priced at the market close on Sept. 4.

■ Privately held companies are usually valued according to estimated earnings or, preferably, cash flow, and to prevailing ratios for similar companies in similar businesses.

■ When earnings and cash flow aren't known or are suspect, we adopt rule-of-thumb conventions common to the relevant industry. Television and radio stations, cable systems and some newspapers are valued for us by authoritative media brokers who track them professionally *(see Acknowledgments, p. 303)*.

■ Among oil and gas producers we rarely go beyond putting fair valuation on their reserves, to be conservative. Some oil and real estate magnates have substantial assets not in their own names, so in one or two cases we were forced to rely on consensus estimates of knowledgeable peers. These estimates, naturally, are treated cautiously.

Often it isn't even clear exactly who owns a great fortune. It is frequently parked, at least partly, in the names of the immediate family or concealed in private investment companies. Or, more difficult to find, it is held in trusts, where separate elements of ownership (control of principal, receipt of income, power to name heirs, etc.) are deliberately spread among different people to defend against inheritance tax laws.

■ In the matter of trusts and other intrafamily arrangements, we proceed on a case-by-case basis, applying common sense. Most plainly exist to carry out a normal pattern of inheritance (to husbands, wives or offspring) and to minimize inheritance taxes. We look at who controls the wealth. Trusts are generally attributed to the person who created the wealth, if still alive and in control; or to the principal controlling family member or members (and not the family lawyers).

Obversely, spendthrift trusts, which are meant to keep control out of the hands of beneficiaries, are not credited to the beneficiaries; only estimated trust income is counted.

Lawyers sometimes say a trust is "owned" by those who ultimately will receive the principal. Usually, that means the next generation of the family in question. But, in fact, the next generation often has no power to spend or invest principal or to disburse income to themselves. Some are still children; some heirs may be yet unborn.

It is difficult to take such "ownership" seriously, or to count so powerless an "owner" as one of the richest people in America. It is true that a controlling person's powers may be weakened by the limitations of a trust. But every other party's claim to present ownership is far weaker still.

Irrevocable charitable trusts and foundations are not counted.

Wealth in the names of spouses and other *immediate* family members is sometimes assigned to the principal family member. Where a family member's shares are sufficient to entitle him or her to a place among the richest people in America, however, we generally list him or her separately. And we do the same with immediate family members split by divorce or other internal family differences. ■

Name	Page	Residence	Age	Worth ($mil)	Primary sources
A					
Albertson, Joseph Albert	196	Boise, Idaho	85	930	Albertson's Inc.
Alexander, Norman E.	238	Scarsdale, N.Y.	77	455	Sequa Corp.
Allbritton, Joe Lewis	247	Houston	66	400	Media
Allen, Charles Jr.	241	NYC	88	430	Stock market
Allen, Herbert	241	NYC	83	430	Stock market
Allen, Herbert Anthony	241	NYC	50	430	Stock market
Allen, Paul Gardner	152	Mercer Island, Wash.	38	2,400	Microsoft
Andersen family	275	Bayport, Minn.		750	Windows
Anderson, John Edward	238	Bel Air, Calif.	74	450	Beverage distribution
Andreas, Dwayne Orville and family	256	Bal Harbour, Fla.	73	335	Archer Daniels Midland
Annenberg, Walter Hubert	162	Wynnewood, Pa.	83	1,600	Publishing
Anschutz, Philip Frederick	184	Denver	51	1,000	Oil
Anthony, Barbara Cox	160	Honolulu	68	2,000	Inheritance (Cox Enterprises)
Argyros, George Leon	269	Newport Beach, Calif.	54	290	Real estate
Arison, Ted	156	Tel Aviv, Israel	67	2,300	Cruise ships
Arrillaga, John	249	Palo Alto, Calif.	53	365	Real estate
Ashton, Alan C.	218	Orem, Utah	49	600	WordPerfect
Autry, Orvon Gene	264	Los Angeles	84	300	Broadcasting
Avery, Alice O'Neill and family	264	Los Angeles	74	300	Inheritance (real estate)
B					
Bacardi family	275	Puerto Rico et al.		750	Liquor
Ballmer, Steven Anthony	200	Bellevue, Wash.	35	850	Microsoft
Bancroft family	275	NYC		1,500	Inheritance (Dow Jones)
Baoudjakdji, Millicent V.	198	Los Angeles	51	440	Inheritance
Bass, Anne Hendricks †	303	NYC	50		Divorce
Bass, Edward Perry	195	Fort Worth	46	940	Oil
Bass, Lee Marshall	168	Fort Worth	35	1,350	Oil
Bass, Robert Muse	162	Fort Worth	43	1,600	Oil
Bass, Sid Richardson	168	Fort Worth	48	1,350	Oil
Bastian, Bruce W.	218	Orem, Utah	43	600	WordPerfect
Batten, Frank Sr.	218	Virginia Beach, Va.	64	600	Publishing
Bean (Gorman) family	275	Freeport, Me.		400	L.L. Bean
Bechtel, Stephen Davison Jr. and family	168	San Francisco	66	1,300	Engineering
Behring, Kenneth Eugene	256	Blackhawk, Calif.	63	330	Developer
Belfer, Arthur Bejer and family	240	NYC	83	450	Oil
Belk family	275	Charlotte, N.C.		450	Retailing
Bennett, William Gordon	230	Las Vegas	66	500	Circus Circus Enterprises
Benson, Craig ★	242	Rochester, N.H.	36	345	Cabletron Systems
Berkley, William Robert	259	Greenwich, Conn.	45	320	Food processing
Berry, Jack Monteith Sr. and family	264	Winter Haven, Fla.	74	300	Citrus grower
Berry, John William Sr.	241	Dayton, Ohio	69	440	Yellow Pages
Binger, Virginia McKnight	265	Wayzata, Minn.	75	300	Inheritance (3M)
Bingham family	275	Louisville		350	Newspapers
Blaustein, Morton K.■	298	Baltimore	Deceased		Inheritance (oil)
Block family	276	NYC area		700	Pharmaceuticals
Bluhm, Neil Gary	232	Winnetka, Ill.	53	500	Real estate
Borg, Malcolm Austin	262	Englewood, N.J.	53	300	Publishing
Bredin, Octavia Mary du Pont and family	248	Greenville, Del.	78	375	Inheritance (Du Pont Co.)
Bren, Donald Leroy	178	Newport Beach, Calif.	59	1,100	Real estate
Brennan, Bernard F.	247	Winnetka, Ill.	53	390	Montgomery Ward
Brittingham family	276	Dallas		470	Dal-Tile Group
Broad, Eli	254	Los Angeles	58	335	Housing, insurance
Bronfman, Edgar Miles Sr.	156	NYC	62	2,300	Seagram Co.
Brown family	276	Louisville		1,000	Liquor
Brown, Harold ■	298	Boston	66		Real estate
Brown, Jack E.	258	Midland, Tex.	66	325	Oil
Buffett, Susan Thompson ★	252	Omaha	59	350	Berkshire Hathaway

★ New entry. ☆ Returnee. ■ Dropout. †Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Buffett, Warren Edward	151	Omaha	61	4,200	Stock market
Bullitt family	276	Seattle		400	Broadcasting
Busch family	276	St. Louis		1,300	Inheritance (Anheuser-Busch)
Butt, Charles C.	248	San Antonio, Tex.	53	380	Grocery stores
C					
Cafaro, William Michael and family	216	Hubbard, Ohio	78	655	Shopping malls
Campbell family	276	Hawaii et al.		675	Real estate
Cargill, James R.	200	Minneapolis	67	835	Inheritance (Cargill, Inc.)
Cargill, Margaret	200	La Jolla, Calif.	71	835	Inheritance (Cargill, Inc.)
Carlson, Curtis LeRoy	188	Long Lake, Minn.	77	1,000	Entrepreneur
Caruth family	276	Dallas		500	Inheritance (real estate)
Carver, Lucille	242	Muscatine, Iowa	74	420	Inheritance (Bandag, Inc.)
Chambers, Anne Cox	160	Atlanta	71	2,000	Inheritance (Cox Enterprises)
Chandler family	278	Los Angeles et al.		1,300	Times Mirror Co.
Chase, David Theodore	250	West Hartford, Conn.	62	355	Real estate
Clapp, Norton and family	253	Seattle	85	350	Inheritance (Weyerhaeuser)
Clark family	278	Cooperstown, N.Y.		390	Singer Manufacturing Co.
Clark, Alfred James ■	298	Easton, Md.	62		Construction
Cohen, Arthur G. ■	298	Kings Point, N.Y.	60		Real estate
Cohn, Seymour	248	Palm Beach County, Fla.	81	390	Real estate
Colket, Tristram C. Jr. ☆	204	Paoli, Pa.	53	285	Campbell stock
Collier family	278	Naples, Fla. et al.		1,000	Real estate
Comer, Gary Campbell ☆	265	Chicago, Ill.	63	300	Lands' End
Congel, Robert J.	260	Fayetteville, N.Y.	56	310	Shopping malls
Connell, Grover	258	Westfield, N.J.	74	325	Commodities
Conover, Catherine Mellon	272	Washington, D.C.	55	275	Inheritance
Cook, Jane Bancroft	234	Cohasset, Mass.	79	480	Inheritance (Dow Jones)
Cook, William Alfred	218	Bloomington, Ind.	60	600	Catheters
Cooke, Jack Kent	184	Middleburg, Va.	78	1,000	Real estate
Cooke, Phoebe Hearst	198	San Francisco	64	440	Inheritance
Coors family	278	Golden, Colo.		415	Beer
Copley, Helen Kinney	216	La Jolla, Calif.	68	640	Publishing
Coulter, Wallace Henry	204	Miami Springs, Fla.	79	800	Blood
Cowles (Gardner) family	278	Minneapolis, NYC et al.		525	Newspapers
Cowles (William) family	280	Spokane		450	Newspapers
Cox, Edwin Lochridge Sr. ■	298	Dallas	70		Oil
Cox, John Lee ☆	230	Midland, Tex.	66	500	Oil
Crain, Gertrude Ramsay ■	298	Chicago	80		Publishing
Crown, Lester and family	164	Wilmette, Ill.	66	1,600	Inheritance
Cullen family	280	Houston		500	Oil
Culverhouse, Hugh Franklin	258	Tampa, Fla.	72	325	Real estate
Currier, Andrea B.	263	The Plains, Va.	35	300	Inheritance
Currier, Lavinia M.	263	The Plains, Va.	34	300	Inheritance
Currier, Michael S.	263	NYC	30	300	Inheritance
D					
Dabah, Morris and family ★	244	NYC	66	420	Gitano Group
Daniels, Bill ■ †	298, 303	Denver	71		Cable
Darden, Constance Simmons du Pont and family	248	Norfolk, Virginia	87	375	Inheritance (Du Pont Co.)
Dart, William A. ★	228	Sarasota, Fla.	64	500	Dart Container
Davenport, Elizabeth Lupton	246	Lookout Mountain, Tenn.	58	400	Coca-Cola bottler
Davidson, William Morse	208	Bloomfield Hills, Mich.	68	710	Guardian Industries
Davis, James Elsworth	244	Jacksonville, Fla.	84	400	Winn-Dixie Stores
Davis, Marvin Harold	170	Beverly Hills	66	1,300	Oil, real estate
Davis, Shelby Cullom	224	Tarrytown, N.Y.	82	580	Investment banking
Dayton family	280	Minneapolis		1,000	Dayton Hudson
DeBartolo, Edward John	164	Boardman, Ohio	82	1,400	Shopping centers
Dedman, Robert Henry Sr.	212	Dallas	65	700	Country clubs

★ New entry. ☆ Returnee. ■ Dropout. †Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Dell, Michael ★	264	Austin, Tex.	26	300	Computers
de Menil family	280	Houston, NYC		445	Inheritance
DeVos, Richard Marvin	151	Ada, Mich.	65	2,900	Amway
de Young family	280	San Francisco et al.		750	Newspapers
Disney, Lillian Bounds ■	300	Los Angeles	71		Inheritance (Walt Disney Co.)
Disney, Roy Edward	235	Los Angeles	61	470	Inheritance (Walt Disney Prods.)
Dixon, Fitz Eugene	247	Lafayette Hill, Pa.	68	400	Inheritance
Dolan, Charles Francis	241	Oyster Bay, N.Y.	65	440	Cable television
Donnelley family	280	Chicago origin		985	R.R. Donnelley & Sons
Dorrance, Bennett	170	Paradise Valley, Ariz.	45	1,250	Inheritance (Campbell Soup)
Dorrance, John T. III	170	Devil's Tower, Wyo.	47	1,250	Inheritance (Campbell Soup)
Draper, Irene ■	300	Montchanin, Del.	80		Inheritance (Du Pont Co.)
Dreiseszun, Sherman W. ■ †	298, 302	Kansas City, Mo.	67		Shopping centers
Duda family	280	Oviedo, Fla.		325	Agriculture
Duke, Doris	206	Somerville, N.J.	78	750	Inheritance
Duke, Jennifer Johnson †	302	Jacksonville, Fla.	50		Johnson & Johnson
du Pont (Pierre Samuel II) family	280	Wilmington, Del.		8,600	Inheritance (Du Pont Co.)
du Pont, Alexis Felix Jr. and family	252	Wilmington,Del.	85	350	Inheritance (Du Pont Co.)
du Pont, Irénée Jr. and family	248	Montchanin, Del.	71	375	Inheritance (Du Pont Co.)
du Pont, Willis Harrington and family	264	Palm Beach, Fla.	55	300	Inheritance (Du Pont Co.)
Duchossois, Richard Louis ■	298	Barrington, Ill.	70		Manufacturing
Durst, David M.	272	Chappaqua, N.Y.	66	275	Real estate
Durst, Royal H.	272	Scarsdale, N.Y.	74	275	Real estate
Durst, Seymour B.	272	NYC	78	275	Real estate
Dyson, Charles Henry	232	NYC	82	500	Conglomerator
E					
Earhart, Anne Catherine Getty	249	San Francisco Bay area	39	365	Inheritance (oil)
Edson, John Orin	228	Seattle	59	525	Manufacturing
Ellis, Alpheus Lee	246	Tarpon Springs, Fla.	85	400	Banking
Ellison, Lawrence J.	249	Atherton, Calif.	47	365	Oracle Systems
Engelhard, Jane B.	250	Far Hills, N.J.	73	360	Inheritance
Evans, James Emmett	264	Dade City, Fla.	91	300	Citrus grower
Evans, Thomas Mellon	269	NYC	81	300	Investments
F					
Farmer, Richard T. ★	247	Indian Hill, Ohio	56	395	Cintas Corp.
Feeney, Charles F.	200	London, England	60	850	Duty Free Shoppers
Field, Frederick W. (Ted)	212	Beverly Hills	39	700	Inheritance (department stores)
Field, Marshall V	212	Lake Forest, Ill.	50	450	Inheritance (department stores)
Fireman, Paul	216	Newton, Mass.	47	625	Reebok
Firestone family	281	Akron, Ohio		300	Tires
Fisher, Donald George	208	San Francisco	63	735	The Gap
Fisher, Doris F.	208	San Francisco	60	735	The Gap
Fisher, John J. ★	208	San Francisco	30	280	The Gap
Fisher, Lawrence	241	NYC	81	440	Real estate
Fisher, Max Martin	254	Franklin, Mich.	83	340	Oil
Fisher, Robert J. ★	208	San Francisco	36	295	The Gap
Fisher, William F. ★	208	San Francisco	34	280	The Gap
Fisher, Zachary	241	NYC	80	440	Real estate
Flatley, Thomas John ■	298	Milton, Mass.	60		Real estate
Flint, Lucile du Pont and family	248	Greenville, Del.	76	375	Inheritance (Du Pont Co.)
Ford, Josephine Clay and family	222	Grosse Pointe Farms, Mich.	68	340	Inheritance (Ford Motor Co.)
Ford, William Clay and family	222	Grosse Pointe Shores, Mich.	66	600	Inheritance (Ford Motor Co.)
Forman, Michael Robert	266	Bel Air, Calif.	56	300	Theaters
Franchetti, Anne and family	224	Seal Cove, Me.	70s	325	Milliken & Co.
Freeman, Mansfield	222	Greensboro, Vt.	96	425	Insurance
Fribourg, Michel and family	180	NYC	78	1,100	Grain trader
Frost, Phillip☆	254	Miami	54	340	Pharmaceuticals

★ New entry. ☆ Returnee. ■ Dropout. †Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
G					
Galbreath, Daniel Mauck ■	300	Columbus, Ohio	62		Real estate
Galesi, Francesco ■	300	NYC	60		Real estate
Gallo, Ernest	262	Modesto, Calif.	82	300	Wine
Gallo, Julio	262	Modesto, Calif.	81	300	Wine
Galvin, Robert William	250	Barrington Hills, Ill.	69	355	Motorola
Gates, Charles Cassius Jr. and family	246	Denver	70	400	Gates Corp.
Gates, William Henry III	150	Seattle	35	4,800	Microsoft
Gaylord, Edward Lewis	180	Oklahoma City	72	1,100	Broadcasting
Geffen, David	196	Malibu, Calif.	48	880	Music
Getty, Caroline Marie	249	San Francisco	34	365	Inheritance (oil)
Getty, Eugene Paul (J. Paul Jr.)	252	London, England	59	350	Inheritance (oil)
Getty, Gordon Peter	168	San Francisco	57	1,300	Inheritance (oil)
Glazer, Guilford	247	Beverly Hills	70	400	Real estate
Goldman, Lillian	270	Millneck, N.Y.	69	280	Inheritance
Goldman, Rhoda H. and family ★	206	San Francisco	67	365	Levi Strauss stock
Goodson, Mark Les	247	NYC	76	400	Game shows
Gore family	281	Newark, Del.		500	Gore-Tex
Gottwald, Bruce Cobb	260	Richmond, Va.	58	315	Ethyl Corp.
Gottwald, Floyd Dewey Jr.	260	Richmond, Va.	69	315	Ethyl Corp.
Gould, Kingdon Jr. ■	300	Laurel, Md.	66		Real estate
Graham family	281	Washington D.C.		360	Washington Post Co.
Graham, Donald E. and family ■	300	Washington, D.C.	46		Washington Post Co.
Graham, Katharine ■	300	Washington, D.C.	74		Washington Post Co.
Grainger, David William ☆	269	Skokie, Ill.	63	290	W.W. Grainger
Green, Pincus	196	Zug, Switzerland	57	800	Commodities trader
Greenberg, Maurice (Hank)	222	NYC	66	585	American International Group
Greenewalt, Margaretta Lammot du Pont ■	298	Greenville, Del.	Deceased		Inheritance (Du Pont Co.)
Gruss, Joeseph S. ■	300	NYC	88		Oil
Guccione, Robert Chas. Jos. Ed. S.	260	NYC	59	310	Publishing
Gund family	281	Cleveland origin		1,300	Inheritance
H					
Haas, Fritz Otto	234	Ambler, Pa.	76	470	Rohm & Haas
Haas, John Charles	234	Villanova, Pa.	73	485	Rohm & Haas
Haas, Josephine and family ★	206	San Francisco	60s	440	Levi Strauss stock
Haas, Peter E. Jr and family ★	206	San Francisco	44	300	Levi Strauss stock
Haas, Peter E. Sr and family ☆	206	San Francisco	73	760	Levi Strauss stock
Haas, Robert D. & family ★	206	San Francisco	49	280	Levi Strauss stock
Haebler family	282	NYC et al.		555	International Flavors & Fragrances
Hall, Donald Joyce	198	Mission Hills, Kans.	63	860	Hallmark Cards
Hamilton, Dorrance Hill	204	Wayne, Pa.	63	790	Inheritance (Campbell Soup)
Hammons, John Quentin	268	Springfield, Mo.	69	300	Real estate
Harbert, John Murdoch III	225	Birmingham, Ala.	70	560	Construction
Hardie, Mary Jane Hoiles	246	Marysville, Calif.	69	400	Newspapers
Hardy, Joseph Alexander III and family	265	Farmington, Pa.	68	300	Building supplies
Hearst, David Whitmore Jr.	198	Los Angeles	46	440	Inheritance
Hearst, George Randolph Jr.	198	Los Angeles	64	440	Inheritance
Hearst, Randolph Apperson Jr.	198	NYC	75	875	Inheritance
Hearst, William Randolph Jr.	198	NYC, N.Y.	83	875	Inheritance
Heinz, Henry John III ■	298	Fox Chapel, Pa.	Deceased		H.J. Heinz Co.
Heinz, Teresa F. ★	241	Fox Chapel, Pa.	53	445	H.J. Heinz Co.
Helmsley, Harry Brakmann	170	NYC	82	1,300	Real estate
Herb, Marvin ★	240	Chicago	54	450	Coca-Cola bottler
Hess, Leon	212	NYC	77	690	Amerada Hess Corp.
Hewlett, William Redington	188	Portola Valley, Calif.	78	1,000	Hewlett-Packard
Heyman, Samuel J. ★	180	New York	52	1,100	GAF Corp
Hill, Margaret Hunt and family	184	Dallas	75	1,000	Inheritance (oil)
Hillenbrand family	282	Batesville, Ind. et al.		1,100	Caskets

★ New entry. ☆ Returnee. ■ Dropout. †Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Hillman, Henry Lea	151	Pittsburgh	72	3,300	Industrialist
Hillman, Howard Butcher	244	Greenwich, Conn.	57	415	Inheritance
Hillman, Tatnall Lea	244	Radnor, Pa.	53	415	Inheritance
Hixon family	282	Pasadena		770	Electronic connectors
Hobby, Oveta Culp and family	240	Houston	86	450	Media
Hoiles, Harry Howard	246	Santa Ana, Calif.	75	400	Newspapers
Hollingsworth, John D.	216	Greenville, S.C.	73	650	Textile machinery
Horvitz family	282	Cleveland area		750	Inheritance (media)
Hostetter, Amos Barr Jr.	232	Boston	54	500	Cable TV
Houghton, Amory Jr. ★	242	Corning, N.Y.	65	420	Corning
Howard, Robert Staples	232	Rancho Santa Fe, Calif.	67	500	Publishing
Hoyt family	282	NYC et al.		625	Carter-Wallace
Hubbard, Stanley Stub	264	St. Mary's Point, Minn.	58	300	Broadcasting
Huffington, Roy Michael	244	Houston	73	400	Oil
Hughes (Howard) family	282	Calif., Nev.		500	Inheritance (Hughes Aircraft)
Huizenga, H. Wayne ★	270	Fort Lauderdale, Fla.	53	290	Blockbuster Entertainment
Hunt, Caroline Rose	228	Dallas	68	525	Inheritance (oil)
Hunt, Johnnie Bryan ☆	269	Goshen, Ark.	64	295	Trucking
Hunt, Ray Lee and family	174	Dallas	48	1,250	Inheritance (Oil)
Hunting family	282	Grand Rapids, Mich.		670	Steelcase
Huntsman, Jon Meade	238	Salt Lake City	54	450	Plastics
I					
Icahn, Carl Celian	215	Bedford, N.Y.	55	660	Financier
Idema family	282	Grand Rapids, Mich.		670	Steelcase
Ilitch, Michael ★	272	Troy, Mich.	60	280	Little Caesar Pizza
Ingram, Erskine Bronson	225	Nashville, Tenn.	59	550	Barges
Irvine family	283	Va., Calif.		350	Inheritance
J					
Jacobs, Jeremy Maurice	234	East Aurora, N.Y.	51	500	Sports concessions
Jacobs, Richard E.	259	Lakewood, Ohio	66	320	Shopping centers
Jamail, Joseph Dahr Jr.	253	Houston	65	350	Pennzoil settlement
Jenkins family	283	Lakeland, Fla.		640	Publix Super Markets
Jobs, Steven Paul	253	Woodside, Calif.	36	350	Computers
Johnson, Barbara Piasecka	196	Princeton, N.J.	54	940	Inheritance
Johnson, Edward Crosby III and family	178	Boston	61	1,100	Investment management
Johnson, James Loring †	302	East Hampton, N.Y.	46		Johnson & Johnson
Johnson, Samuel Curtis	174	Racine, Wis.	63	1,150	Johnson Wax
Jordan family	283	Boston origin		645	Inheritance
K					
Kalikow, Peter Stephen ■	300	NYC	47		Real estate
Kaskel family	283	NYC		400	Inheritance (real estate)
Kaskel Howard ■	300	NYC	54		Real estate
Kauffman, Ewing Marion	208	Mission Hills, Mo.	75	725	Marion Laboratories
Keck, Howard Brighton	253	Los Angeles	78	350	Superior Oil Co.
Keck, William Myron II	253	Los Angeles	49	290	Superior Oil Co.
Keinath, Pauline MacMillan	200	Unknown	57	560	Inheritance (Cargill, Inc.)
Kelly family	283	Honolulu		400	Hotels
Kelly, William Russell	230	Troy, Mich.	85	500	Kelly Services
Kerkorian, Kirk	195	Beverly Hills	74	965	Investments
Kennedy family	283	Boston origin		350	Inheritance
King family	284	NYC et al.		500	King World Productions
Kleberg family	284	King Ranch, Tex.		1,000	Inheritance
Kluge, John Werner	150	Charlottesville, Va.	77	5,900	Metromedia
Knight, Philip Hampson	168	Hillsboro, Ore.	53	1,350	Nike, Inc.
Koch, Charles de Ganahl	160	Wichita, Kans.	55	1,800	Inheritance
Koch, David Hamilton	160	NYC	51	1,800	Inheritance

★ New entry. ☆ Returnee. ■ Dropout. †Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Koch, Frederick Robinson	232	NYC, Monaco, N.Y.	57	500	Inheritance (oil services)
Koch, William Ingraham	232	Palm Beach, Fla.	51	500	Inheritance (oil services)
Kohlberg, Jerome Spiegel Jr.	244	Mount Kisco, N.Y.	66	400	Leveraged buyouts
Kohler family	284	Kohler, Wis. origin		500	Plumbing fixtures
Kravis, Henry R.	238	NYC	47	450	Leveraged buyouts
Krehbiel, John Hammond Sr. and family ☆	242	Lisle, Ill.	85	430	Molex stock
Kroc, Joan Beverly	188	Rancho Santa Fe, Calif.	63	1,000	Inheritance (McDonald's)
L					
Landegger, Carl Clement	249	NYC	61	365	Paper mills
Landegger, George Francis	249	Rye Brook, N.Y.	54	365	Paper mills
Lauder, Estée	216	NYC	ageless	600	Cosmetics
Lauder, Leonard Alan	216	NYC	58	600	Cosmetics
Lauder, Ronald Steven	216	NYC	47	600	Cosmetics
Lauren, Ralph	212	NYC	52	675	Apparel
Lawrence family	284	NYC area		390	Inheritance (real estate)
Lawrence, M. Larry	260	San Diego	65	315	Real estate
Lebensfeld, Harry	250	NYC	87	350	UIS, Inc.
LeFrak, Samuel Jayson	164	NYC	73	1,400	Real estate
Lennon, Fred A.	218	Chagrin Falls, Ohio	85	600	Valves
Lerner, Alfred ☆	269	Shaker Heights, Ohio	58	290	Real estate, banking
Lerner, Theodore Nathan ■	300	Chevy Chase, Md.	65		Real estate
Lesher, Dean Stanley	249	Orinda, Calif.	89	360	Publishing
Levine, Robert ★	242	Stratham, N.H.	33	425	Cabletron Systems
Lewis, Reginald F. ★	254	NYC	48	340	Beatrice International
Lilly family	284	Indianapolis et al.		1,000	Pharmaceuticals
Lindemann, George L.	224	Greenwich, Conn.	55	560	Cable, cellular
Lindner, Carl Henry Jr. and family	204	Cincinnati	72	800	Insurance
Littlefield, Edmund Wattis ☆	268	Burlingame, Calif.	77	300	General Electric
Litwin, Leonard ☆	272	NYC	75	275	Real estate
Louis, John Jeffery	225	Winnetka, Ill.	66	545	Inheritance (Johnson Wax)
Ludwig, Daniel Keith	174	NYC	94	1,200	Shipping
Lund, Sharon Disney & family ■	300	Los Angeles	54		Inheritance
Lunger, Mary Jane du Pont ■	300	Wilmington, Ill.	76		Inheritance
Lupton, John Thomas	246	Lookout Mountain, Tenn.	65	400	Coca-Cola bottler
Lurie, Robert Alfred	235	San Francisco	62	480	Inheritance
Lykes family	286	Tampa, New Orleans et al.		565	Shipping
Lyon, William	253	Coto de Caza, Calif.	69	350	Real estate
M					
Mack family	286	NYC et al.		300	Real estate
MacMillan, Cargill	200	Palm Springs, Calif.	64	560	Inheritance (Cargill, Inc.)
MacMillan, John Hugh III	200	Hillsboro Beach, Fla.	63	560	Inheritance
MacMillan, Whitney	200	Minneapolis	62	560	Inheritance (Cargill, Inc.)
MacMillan, W. Duncan	200	Wayzata, Minn.	61	560	Inheritance (Cargill, Inc.)
Magness, Bob John	240	Englewood, Colo.	67	450	Cable TV
Malkin, Judd David	232	Winnetka, Ill.	53	500	Real estate
Malone, Mary Alice Dorrance	170	Coatesville, Pa.	41	1,250	Inheritance (Campbell Soup)
Mandel, Jack N.	248	Shaker Heights, Ohio	79	390	Premier Industrial Corp.
Mandel, Joseph C.	248	Lyndhurst, Ohio	77	385	Premier Industrial Corp.
Mandel, Morton L.	248	Shaker Heights, Ohio	70	385	Premier Industrial Corp.
Manoogian, Richard Alexander	270	Grosse Pointe Farms, Mich.	55	280	Masco
Marion, Anne Burnett Sowell	256	Fort Worth	52	330	Inheritance
Maritz, William Edward and family	246	St. Louis	62	400	Maritz Inc.
Markkula, Armas Clifford Jr.	212	Woodside, Calif.	49	675	Apple Computer
Marriott family	286	Washington D.C.		690	Inheritance (hotels)
Mars, Forrest Edward Jr.	160	McLean, Va.	60	2,000	Candy
Mars, Forrest Edward Sr.	160	Las Vegas	late 80s	2,000	Candy
Mars, John Franklyn	160	Arlington, Va.	56	2,000	Candy
Marshall, Barbara Hall	198	Kansas City, Mo.	68	430	Inheritance (Hallmark Cards)

★ New entry. ☆ Returnee. ■ Dropout. †Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Marshall, James Howard II	225	Houston	86	525	Oil
Mathile, Clayton Lee ★	240	Dayton, Ohio	50	450	Iams pet food
May, Cordelia Scaife	225	Ligonier, Pa.	63	525	Inheritance
May, Irene Sophie du Pont and family	248	Wilmington, Del.	90	375	Inheritance (Du Pont Co.)
May, Peter	222	NYC	48	300	Leveraged buyouts
McCaw, Bruce R. ☆	234	Seattle	45	340	McCaw Cellular
McCaw, Craig O.	234	Bellevue, Wash.	42	480	McCaw Cellular
McCaw, John Elroy Jr. ☆	234	Seattle	40	360	McCaw Cellular
McCaw, Keith W. ☆	234	Seattle	38	345	McCaw Cellular
McClatchy family	286	Sacramento et al.		500	Newspapers
McCulloch, A. Donald Jr.	259	Bryn Mawr, Pa.	44	320	Diet centers
McEvoy, Nan Tucker ■	300	San Francisco	72		Inheritance
McGlothlin, James and family	228	Bristol, Tenn.	51	515	Coal
McGovern, Patrick Joseph	232	Nashua, N.H.	54	500	Publishing
McGraw family	286	NYC et al.		470	McGraw-Hill
McLane, Robert Drayton Jr.	254	Temple, Tex.	55	345	McLane Co.
Mead family	286	Wisconsin Rapids, Wis.		645	Consolidated Papers
Mellon family	286	Pittsburgh area		4,300	Inheritance
Mellon, Paul	200	Upperville, Va.	84	800	Inheritance
Mellon, Richard Prosser ■	300	Ligonier, Pa.	52		Inheritance
Mellon, Seward Prosser ■	300	Ligonier, Pa.	49		Inheritance
Mellon, Timothy	272	Manchester, N.H.	49	275	Inheritance
Meyer, August Christopher	264	Champaign, Ill.	91	300	Broadcasting
Milbury, Cassandra Mellon ■	300	Ligonier, Pa.	51		Inheritance
Milken, Lowell J. †	302	Los Angeles	42		Junk bonds
Milken, Michael Robert	208	Dublin, Calif.	45	700	Financier
Miller, Diane Disney ■	300	Los Angeles	57		Inheritance
Milliken, Gerrish and family	224	Greenwich, Conn.	74	325	Textiles
Milliken, Minot and family	224	NYC	75	325	Textiles
Milliken, Roger and family	224	Spartanburg, S.C.	75	570	Textiles
Mills, Alice Francis du Pont and family	252	Middleburg, Va.	78	350	Inheritance (Du Pont Co.)
Milstein family	287	NYC area		425	Real estate
Milstein, Paul ■	300	NYC	68		Real estate
Milstein, Seymour ■	300	NYC	70		Real estate
Mitchell, George Phydias	218	Houston	72	600	Oil
Monaghan, Thomas Stephen	247	Ann Arbor, Mich.	54	400	Pizza
Moncrief, William Alvin (Tex) Jr.	272	Fort Worth	71	275	Oil
Moody, Robert Lee and family	242	Galveston, Tex.	56	420	American National Insurance
Moore, Gordon Earle	224	Santa Clara County, Calif.	62	585	Intel Corp
Moore, Jerry J.	269	Houston	63	300	Shopping centers
Moores, John Jay	241	Sugar Land, Tex.	47	440	BMC Software
Moran, James Martin	212	Hillsboro Beach, Fla.	73	700	Toyota
Morgan, Frank Sherman ■ †	298, 302	Kansas City, Mo.	64		Real estate
Morris, William Shivers III	253	Augusta, Ga.	57	350	Newspapers
Mugar, David Graves ■	300	Boston	52		Inheritance (broadcasting)
Murdoch, Keith Rupert	180	NYC	60	1,100	Publishing
Murdock, David Howard	168	Bel Air, Calif.	68	1,350	Investments
Murphy family	287	El Dorado, Ark.		405	Oil
N					
Naify, Robert Allen ☆	258	San Francisco	69	320	Tele-Communications
Newhouse, Donald Edward	152	NYC	62	2,800	Publishing
Newhouse, Samuel Irving Jr.	152	NYC	63	2,800	Publishing
Nordstrom family	287	Seattle		1,500	Retailing
Norris family	287	Marshalltown, Iowa		430	Lennox International
Norris, Diana Strawbridge	204	Palm Beach, Fla.	52	320	Campbell stock
O					
O'Conner family	288	Victoria, Tex.		450	Inheritance
O'Neill, Richard Jerome	264	San Juan Capistrano, Calif.	68	300	Inheritance (real estate)

★ New entry. ☆ Returnee. ■ Dropout. †Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
P					
Packard, David	162	Los Altos Hills, Calif.	79	1,700	Hewlett-Packard
Paley, William S. ■	298	NYC	Deceased		CBS, Inc.
Pamplin, Robert Boisseau Sr. ☆	262	Portland, Ore.	79	300	Textiles
Park, Roy Hampton	228	Ithaca, N.Y.	81	515	Park Communications
Parker, Jack	268	NYC	76	300	Real estate
Paulson, Allen Eugene ■	300	Savannah, Ga.	69		Gulfstream Aerospace Corp.
Paulucci, Luigino Francesco ■	300	Sanford, Fla.	73		Food processing
Pearson, Edith du Pont and family	264	Montchanin, Del.	79	300	Inheritance (Du Pont Co.)
Peery, Richard Taylor	249	Palo Alto, Calif.	51	365	Real estate
Peltz, Nelson	222	Palm Beach, Fla.	49	600	Leveraged buyouts
Pennington, Claude (Doc) and family	252	Baton Rouge, La.	91	350	Oil
Pennington, William Norman	230	Reno, Nev.	68	400	Circus Circus Enterprises
Penske, Roger ■	300	Red Bank, N.J.	53		Auto distributorship
Perdue, Franklin Parsons ■ †	300, 303	Salisbury, Md.	71		Chickens
Perelman, Ronald Owen	162	NYC	48	1,800	Leveraged buyouts
Perenchio, Andrew Jerrold	215	Bel Air, Calif.	60	655	Television
Perot, Henry Ross	156	Dallas	61	2,200	Electronic data management
Perry, Claire Eugenia Getty	249	Irvine, Calif. area	37	365	Inheritance (oil)
Petersen, Robert Einar	265	Beverly Hills	65	300	Publishing
Petrie, Milton	184	NYC	89	1,000	Petrie Stores
Pew family	288	Philadelphia origin		515	Inheritance
Phipps family	288	Pittsburgh origin		2,500	Inheritance (steel)
Pictet, Marion MacMillan	200	Geneva, Switzerland	58	560	Inheritance (Cargill, Inc.)
Pigott family	288	Seattle		740	Inheritance (Paccar)
Pilaro, Anthony Martin ■	300	Southampton, N.Y.	54		Duty Free Shops
Pitcairn family	288	Bryn Athyn, Pa. et al.		950	Inheritance
Pohlad, Carl Ray	208	Minneapolis	76	740	MEI Corp.
Posner, Victor ■	300	Miami Beach	72		Financier
Price, Solomon ☆	254	La Jolla, Calif.	75	335	Price Co.
Pritzker, Jay Arthur	156	Chicago	69	2,250	Financier
Pritzker, Robert Alan	156	Chicago	65	2,250	Financier
Pulitzer family	288	St Louis et al.		570	Inheritance (publishing)
R					
Rainwater, Richard	250	Fort Worth	47	350	Investments
Rangos, John G. Sr.	225	Pittsburgh	62	545	Waste management
Redstone, Sumner Murray	152	Newton Center, Mass.	68	2,800	Movie theaters
Reed family	288	Seattle et al.		1,000	Inheritance (timber)
Reid, Elizabeth Ann	198	Denton, Tex.	69	430	Inheritance (Hallmark Cards)
Reinhart, DeWayne B.	248	La Crosse, Wis.	71	390	Food wholesaler
Resnick, Burton Paul	267	NYC & Rye, N.Y.	54	300	Real estate
Reynolds, Donald Worthington	195	Las Vegas	85	950	Publishing
Rhoads, D. Dean	263	North Palm Beach, Fla.	64	300	Industrialist
Rich, Marc	196	Zug, Switzerland	56	900	Commodities trader
Rich, Robert Edward Sr.	244	Point Abino, Ontario	78	400	Food products
Richardson family	290	Greensboro, N.C. et al.		750	Inheritance (Richardson-Vicks)
Riklis, Meshulam ■	300	Beverly Hills & NYC	66		Finance
Rinker, Marshall Edison (Doc) and family	262	Palm Beach, Fla.	88	300	Cement
Roberts, George R.	238	San Francisco	48	450	Leveraged buyouts
Robinson, Jesse Mack	250	Atlanta	68	355	Banking
Rockefeller (John D.) family	290	NYC et al.		5,000	Inheritance (oil)
Rockefeller (William) family	292	Conn., NYC et al.		300	Inheritance (oil)
Rockefeller, David Sr. and family	178	NYC	76	1,100	Inheritance
Rockefeller, Laurance Spelman	196	NYC	81	900	Inheritance
Rockefeller, Winthrop Paul	200	Winrock Farm, Ark.	43	850	Inheritance
Rollins, Orville Wayne	196	Atlanta	79	930	Entrepreneur
Rose family	292	NYC		400	Real estate
Rosenberg, Ruth Blaustein and family	266	Baltimore	92	300	Inheritance (oil)
Rosenwald family	292	NYC et al.		450	Inheritance (Sears, Roebuck)

★ New entry. ☆ Returnee. ■ Dropout. †Near miss.

Name	Page	Residence	Age	Worth ($mil)	Primary sources
Rowling, Reese McIntosh and family ★	235	Corpus Christi, Tex.	63	465	Oil and gas
Rudin, Jack	218	NYC	67	600	Real estate
Rudin, Lewis	218	NYC	64	600	Real estate
Rust, Eleanor Francis du Pont and family	248	Thomasville, Ga.	84	375	Inheritance (Du Pont Co.)
Ryan, Patrick George	256	Chicago	54	330	Insurance
S					
Sakioka, Roy and family ★	258	Costa Mesa, Calif.	92	325	Real estate
Sammons family	292	Dallas		500	Cable TV
Sandler family	292	Oakland, Calif.		360	Golden West Financial Corp.
Sarofim, Fayez Shalaby	258	Houston	62	320	Money mangement
Saul, B. Francis II	259	Chevy Chase, Md.	59	315	Banking
Scaife, Richard Mellon	225	Shadyside, Pa.	59	550	Inheritance
Scharbauer, Clarence Jr.	240	Midland, Tex.	66	450	Inheritance (oil, land)
Schwan, Marvin Maynard	195	Sioux Falls, S.D.	62	950	Ice cream
Scripps (E.W.) family	292	Cincinnati origin		1,400	Inheritance (newspapers)
Scripps (J.E.) family	292	Detroit area et al.		900	Inheritance (newspapers)
Searle family	292	Chicago et al.		800	Inheritance (G.D. Searle)
Sedwick, Jud ■	300	Butler, Pa.	76		Cable
Segerstrom family	293	Orange Co., Calif.		375	Real estate
Sharp, Peter Jay	257	NYC	61	330	Real estate
Shorenstein, Walter Herbert	268	San Francisco	76	300	Real estate
Silliman, Mariana du Pont and family	248	Montchanin, Del.	80	375	Inheritance (Du Pont Co.)
Simmons, Harold Clark	180	Dallas	60	1,100	Investments
Simon, Herbert ■	300	Indianapolis	57		Shopping centers
Simon, Melvin	268	Indianapolis	65	300	Shopping centers
Simon, William Edward	267	New Vernon, N.J.	63	300	Leveraged buyouts
Simplot, John Richard and family	234	Boise, Idaho	82	500	Potatoes
Singleton, Henry Earl	224	Los Angeles	74	565	Teledyne
Skaggs, Leonard S. Jr.	234	Salt Lake City	68	495	American Stores
Slavik, James Donald and family ★	253	Irvine, Calif.	39	350	W.W. Grainger
Smart, Richard Palmer Kaleioku	265	Honolulu	78	300	Inheritance
Smith family	293	Chicago origin		1,200	Illinois Tool Works
Smith (Charles E.) family	293	Washington, D.C.		800	Real estate
Smith (Dee G.) family	293	Brigham City, Utah		390	Smith's Food & Drug Centers
Smith, Delford Michael ★	228	McMinnville, Ore.	60	500	Air carriers
Smith, Richard Allen	238	Chestnut Hill, Mass.	66	460	General Cinema Corp.
Solheim, Karsten †	302	Phoenix, Ariz.	80		Ping golf clubs
Solomon, Russell	269	Sacramento	66	290	Tower Records
Solow, Sheldon Henry	246	NYC	63	400	Real estate
Sommer, Viola	266	Great Neck, N.Y.	late 60s	300	Inheritance (real estate)
Sorenson, James LeVoy	212	Salt Lake City	71	700	Medical devices
Soros, George	195	NYC	61	975	Money manager
Spangler, Clemmie Dixon Jr. and family	258	Charlotte, N.C.	59	325	Investments
Spanos, Alexander Gus	235	Stockton, Calif.	68	480	Real estate
Spelling, Aaron	269	Holmby Hills, Calif.	68	295	Television
Stahl, Stanley Irving	252	NYC	67	350	Real estate
Steinberg, Saul Philip	260	NYC	52	315	Financier
Stempel, Ernest E. ★	224	Hamilton, Bermuda	75	325	AIG
Stephens, Jackson Thomas and family	238	Little Rock, Ark.	68	450	Investment banking
Stephens, Wilton Robert and family	238	Little Rock, Ark.	84	450	Investment banking
Stern, Leonard Norman	174	NYC	53	1,200	Pet supplies
Strawbridge, George Jr. ☆	204	Chester County, Pa	54	275	Inheritance (Campbell Soup)
Stroh family	293	Detroit		500	Inheritance (beer)
Stryker family	294	Kalamazoo, Mich.		370	Medical supplies
Stuart family	294	Los Angeles, NYC		800	Inheritance (Carnation Co.)
Sulzberger family	294	NYC		500	New York Times Co.
Swig family	294	San Francisco		400	Real estate
T					
Taper, Sydney Mark	258	Beverly Hills	90	325	First Charter Financial Corp.

★ New entry. ☆ Returnee. ■ Dropout. †Near miss.

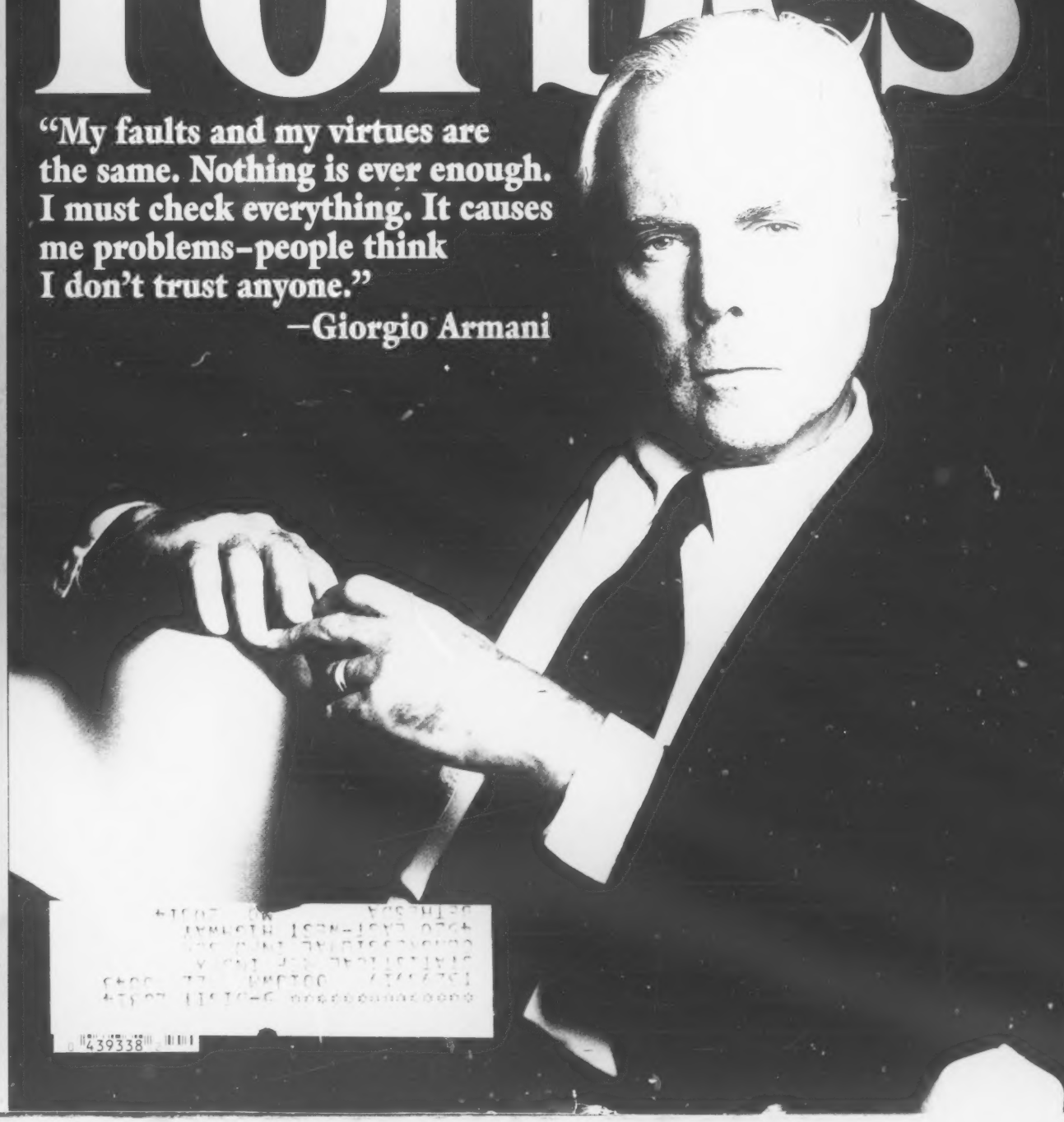
Name	Page	Residence	Age	Worth ($mil)	Primary sources
Tauber, Laszlo Nandor	228	Potomac, Md.	76	500	Real estate
Taubman, A. Alfred	218	Bloomfield Hills, Mich.	66	600	Real estate
Taylor family	294	Boston origin		455	Inheritance (publishing)
Taylor, Jack Crawford	249	St. Louis	69	365	Auto rental
Temple family	294	Diboll, Tex. origin		710	Inheritance (timber)
Terra, Daniel James	235	Chicago	80	470	Lawter International
Thalheimer, Louis	266	Baltimore	47	300	Inheritance (oil)
Thorne, Oakleigh Blakeman	270	Millbrook, N.Y.	59	285	Commerce Clearing House
Tisch, Laurence Alan	178	NYC	68	1,150	Loews Corp.
Tisch, Preston Robert	178	NYC	65	1,150	Loews Corp.
Turner family	294	Columbus, Ga.		400	W.C. Bradley
Turner, Robert Edward (Ted) III	164	Roswell, Ga.	53	1,400	Turner Broadcasting System
Tyson, Barbara	206	Fayetteville, Ark.	42	550	Tyson Foods
Tyson, Donald John	206	Springdale, Ark.	61	765	Tyson Foods
U					
Ueltschi, Albert Lee	222	Irving, Tex.	74	590	FlightSafety International
Upjohn family	294	Kalamazoo, Mich.		1,260	Inheritance (Upjohn Co.)
V					
Van Andel, Jay	151	Ada, Mich.	67	2,900	Amway
van Beuren, Hope Hill	204	Middletown, R.I.	57	710	Inheritance (Campbell Soup)
Vogel, Jacqueline Mars	160	Bedminster, N.J.	52	2,000	Candy
W					
Wagner, Cyril Jr.	258	Midland, Tex.	57	325	Oil
Walton, Alice L.	150	Rogers, Ark.	42	4,400	Inheritance (Wal-Mart Stores)
Walton, James Lawrence	188	Bentonville, Ark.	69	1,000	Wal-Mart Stores
Walton, Jim C.	150	Bentonville, Ark.	43	4,400	Inheritance (Wal-Mart Stores)
Walton, John T.	150	San Diego	46	4,400	Inheritance (Wal-Mart Stores)
Walton, Sam Moore	150	Bentonville, Ark.	73	4,400	Wal-Mart Stores
Walton, S. Robson	150	Bentonville, Ark.	47	4,400	Inheritance (Wal-Mart Stores)
Ward family	296	Honolulu		500	Real estate
Ward, Louis Larrick	242	Kansas City, Mo.	71	425	Russell Stover Candies, Inc.
Washington, Dennis	228	Missoula, Mont.	57	500	Entrepreneur
Wasserman, Lewis Robert ☆	250	Palm Springs, Calif.	78	350	MCA
Watson family	296	Armonk, N.Y. origin		500	International Business Machines
Weber, Charlotte Colket	204	Ocala, Fla.	48	700	Inheritance (Campbell Soup)
Wege family	282	Grand Rapids, Mich.		670	Steelcase
Weiler family	296	NYC		300	Real estate
Weinberg, Harry ■	298	Honolulu	Deceased		Real estate
Weis, Robert Freeman	235	Sunbury, Pa.	72	400	Weis Markets, Inc.
Weis, Sigfried	235	Lewisburg, Pa.	75	475	Weis Markets, Inc.
Wexner, Bella	234	Columbus, Ohio	77	490	The Limited, Inc.
Wexner, Leslie Herbert	152	Columbus, Ohio	54	2,500	The Limited, Inc.
Weyerhaeuser family	296	St. Paul, Tacoma et al.		920	Inheritance (timber)
Whitney, Betsey Cushing Roosevelt	206	Manhasset, N.Y.	83	775	Inheritance
Whittier family	296	Southern Calif.		650	Inheritance (oil)
Wirtz family	296	Chicago		550	Inheritance (real estate)
Wolfe family	296	Columbus, Ohio et al.		500	Inheritance (newspapers)
Woodner, Ian ■	298	NYC	Deceased		Real estate
Wrigley, William	241	Lake Geneva, Wis.	58	430	Wrigley's
Y					
Yates family	296	Artesia, N.M.		440	Oil
Z					
Zell, Samuel	244	Chicago	50	400	Real estate
Ziff, William Bernard	170	Manalapan, Fla.	61	1,250	Publishing
Zuckerman, Mortimer Benjamin ■ †	300, 302	NYC	54		Real estate

★ New entry. ☆ Returnee. ■ Dropout. †Near miss.

Blood in the suites—bargains in distressed hotels

October 28, 1991 Four Dollars

Forbes



"My faults and my virtues are the same. Nothing is ever enough. I must check everything. It causes me problems–people think I don't trust anyone."

–Giorgio Armani

439338

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Cover photo by Aldo Fallai

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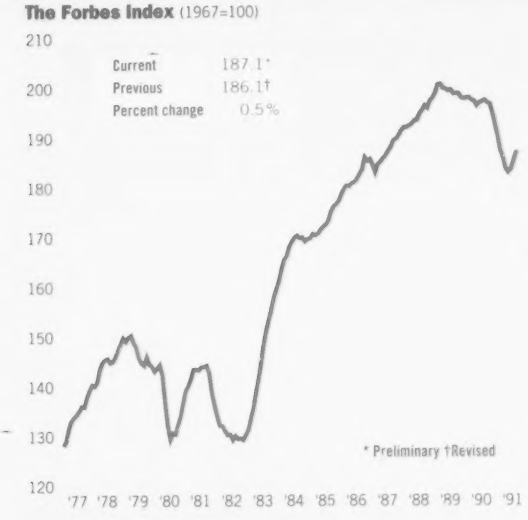
THE FORBES INDEX

BY TIMOTHY DODMAN



With growing deficits at the federal, state and local levels, politicians have been reluctant to cut taxes in order to spur growth. In fact, higher taxes at all three levels are helping to put a drag on consumer outlays. For the eight months through August of this year, real personal spending increased a scant 0.9%. Cost-cutting state and local governments have eliminated 87,000 jobs in the last four months, but the private sector has been expanding: Nonfarm payrolls grew by 24,000 in September. The unemployment rate fell to 6.7% from 6.8%.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	8.0%
Auto sales year to date vs 1990[1]	Ward's Automotive	-11.6%
Index of leading indicators Aug vs July	Dept of Commerce	0.0%
Trade balance 12 months ended July 1991	Dept of Commerce	-$81 bil
All-commodity producer price index Aug vs July[2]	Dept of Labor	0.3%
GNP 2nd quarter vs. 1st—annualized growth	Dept of Commerce	-0.5%
M2 (3-month change)—annualized growth[3]	Federal Reserve	-0.1%

[1] U.S.-based manufacturers, excludes imports, as of 9/30/91. [2] Wholesale goods. [3] Includes M1 (public currency and checking deposits) plus savings accounts and money market funds.

Index components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

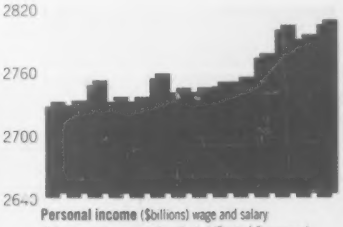
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

Consumer price indexes (1982-84 average=100) all urban consumers, unadjusted (Dept of Labor)

Manufacturers' new orders and inventories ($billions), seasonally adjusted (Dept of Commerce)

Industrial production index (1987=100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept of Commerce)

New unemployment claims average for month (thousands), seasonally adjusted (Dept of Labor)

Retail sales ($billions), seasonally adjusted (Dept of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

J A S O N D J F M A M J J A J A S O N D J F M A M J J A J A S O N D J F M A M J J A

Walter Wriston wasn't so dumb to suggest that sovereign nations don't default on their debt.

Good news at last

By Laura Jereski

AFTER YEARS of nasty surprises from their insolvent Latin American government debtors, U.S. banks are finally getting some pleasant surprises. Sounder policies in Mexico, Argentina, Venezuela and some other Latin American countries have bolstered the value of those countries' billions of dollars in outstanding debt, easing the pressure on banks holding the loans to add to their reserves.

In the rapidly growing market for Third World paper, Brazil's sovereign debt now sells for 34 cents on the dollar, up from 24 cents in January. Argentina's debt trades at around 39 cents on the dollar, up from 20 cents. Even Peru, reeling under terrorism and unstable government, has seen its debt climb to 17 cents, up from 4 cents on the dollar in January.

Mexico has become such a good risk that its restructured obligations now yield just 10%, about in line with mid-grade U.S. corporate bonds.

For the New York money center banks that have been bushwhacked by bad real estate loans, the Latin debt news is a ray of sunlight.

How bright? It depends on how bravely the banks involved bit the bullet earlier by writing down their Latin loans. But don't look for immediate earnings gains, because the higher bond values will not flow through directly to earnings.

Take an example. Manufacturers Hanover Corp.'s survival once seemed threatened by its heavy load of loans to Latin and other poor nations. Manufacturers Hanover, now in the process of merging with Chemical, has already set up reserves sufficient to cover 32% of the face value of its outstanding Latin debt, which the bank estimates is enough to cover 90% of the problem part of the portfolio. Those reserves may now be adequate, letting the bank set aside bigger reserves to cover bad real estate loans and leveraged transactions.

A big winner is archconservative J.P. Morgan & Co., which created reserves covering 65% of its Latin debt. In the second quarter, Morgan was able to apply some $560 million (about $3 per Morgan share) from loan-loss reserves to its general reserves to cover highly leveraged transactions and other loan losses.

That indirectly increases Morgan's future earning power because it means the bank will be able to get by with fewer additions to reserves in the future—loan-loss reserves being a direct deduction from earnings.

Besides Morgan, other likely winners are Bankers Trust and Chemical. But many banks, like Citibank, are less fortunate. Securities & Exchange Commission rules prevent banks from booking interest income on Latin debt that they haven't written down to market. Instead the interest goes to reduce the principal. Unlike its brethren, J.P. Morgan wrote down the value of its Brazilian debt to market value, allowing it to take $14 million in interest directly into earnings.

To be sure, the price recovery for Latin debt remains fragile. The market probably can't absorb huge selling by banks that want out. This summer a worried New York trader visited Japanese banks, whose mammoth $40 billion or so in Latin debt is concentrated in Brazil and Argentina. He was reassured that improved prices would not tempt them to sell.

Still, the market for Third World sovereign debt is becoming more liquid every day. Some $200 billion worth of Latin debt issues will trade this year, twice last year's total and more than ten times the volume of five years ago. The most actively traded part of the market are the so-called Brady bonds—Mexican and Venezuelan bonds issued to help those countries restructure.

In a sense the whole affair is something of a vindication for retired Citicorp Chairman Walter Wriston. It was during his watch that his and other big U.S. banks lent heavily to the developing nations as a means of recycling Arab petrodollar surpluses. When critics questioned the wisdom of such lending, Wriston suggested: Sovereign nations don't default. Maybe Wriston was right after all.

Will bank real estate lending have as happy an outcome? Don't bet on it. Unlike sovereign debt that is in arrears, foreclosed real estate is costly to carry. And, adds veteran bank-stock analyst George Salem, of Prudential Securities: "Countries have taxing power, developers don't."

Rewards for caution

Company	—Latin American debt*— reserves ($bil)	face value ($bil)	Reserve coverage	Per-share effect of 10% increase in loan value
Overreserved				
Bankers Trust	$1,111	$1,543	72%	$1.13
JP Morgan	500	900	65	0.28
Chemical	698	1,094	64	0.72
Adequately reserved				
BankAmerica	934	2,196	43	0.61
First Chicago	98	239	41	0.21
Chase Manhattan	1,160	3,088	38	1.38
Manufacturers Hanover	1,136	3,604	32	2.86
Citicorp	1,600	6,600	24	1.15

*Second-quarter results. *Source: Brent Erensel of Mabon Securities Corp.*

Big winners: banks with largest loan-loss reserves against their Latin debt.

An astute auto analyst sees continuing problems for the auto industry. Even the Japanese will squirm.

The worst of times

An interview with Maryann Keller by Jerry Flint

THE AUTOMOBILE industry is in pain. Car/truck sales slumped from 16.4 million in 1986 to 12.6 million this year. Operating losses for the Big Three North American auto businesses may approach $10 billion this year. That's an average loss of a little less than $1,000 on every vehicle sold by the American companies.

How long can the bleeding continue? We put this question to Maryann Keller, a managing director of investment bankers Furman Selz and one of Wall Street's most astute analysts of the automobile industry. Her answers were not reassuring.

Keller: The private market [for automobiles] isn't showing any improvement as the year progresses. Typically, in a recession you get a tax cut. That gets consumer spending going, but this is the first time in my memory we've had tax increases accompanying a recession at the federal, state and local levels.

This vehicle market may not get much above the record 16-million-plus car/truck sales of 1986. The postwar-generation baby boom is aging. They've had their babies, they've bought their minivans.

The average transaction price today is around $17,000, and if the costs continue to rise, as they will, the industry will reflect that in pricing. People are going to adjust. They may buy fewer cars or less opulent cars.

Worse, the Japanese are making inroads into markets [luxury and midsize cars and trucks] that generate most of the profits for the American companies. Look at the new six-cylinder Toyota Camry. That's a rival of any midsize American car.

Detroit can't go on losing money indefinitely. Not even Soviet industry could accomplish that miracle.

If the industry continues to hemorrhage, some of the problems will go away. Plants close, jobs will be cut. Within a decade there will be fewer companies selling cars in the U.S.

What's the good news?

Europe. Germany has been the bright spot in Europe and General Motors is really the big winner [GM earned nearly $2 billion in Europe last year]. I think Germany is going to continue to be a reasonably good market in

Auto analyst Maryann Keller of Furman Selz **"Everything is going wrong for the Japanese. The U.S. market has become unprofitable, the Europeans are saying 'not in my backyard,' and the Japanese home market is falling now that the bubble economy has burst."**

1992. In the five eastern states of Germany, Opel [GM's German unit] outsells VW, which is quite a feat. And GM has made some very promising investments in Central Europe.

But there's no sign of recovery in Britain, which is much more important to Ford than to GM, and one of the reasons Ford is not doing well.

Why is GM Europe so successful? The product line, which is where any car company has to start, is great. The cars meet their competitors in quality and technology and are attractively styled. And GM Europe's headquarters staff is very small [only 120] and largely concerns itself with strategic investments and political issues. Bob Eaton [president of GM Europe] is not involved in pricing a car in Spain. That is the function of the operating businesses. So you don't see in GM Europe what you see in GM North America, the monolithic central bureaucracy telling guys in the operating divisions where to go and what to do.

> **Ford has no vice presidents under the age of 50 except Helen Petrauskas [for environmental and safety engineering]. Where are the leaders for the next generation? I can't name them at Ford.**

Which brings us to GM in the U.S. GM's operating loss this year will be $6 billion to $7 billion in North America. They've admitted the earliest they could be profitable here would be 1993, but I think it will probably be 1994 or 1995, unless they can perform radical surgery on their costs.

It took GM ten years to get into this predicament. Today they are redesigning parts to get man-hours out of those cars. Maybe they take an hour out here and there. But they can't take 20 hours out, and that's what they need. But 20 hours means doing all the cars from scratch.

Go back to the experience of GM Europe, which was a basket case in 1978. It took ten years to get back. Don't expect miracles at GM North America.

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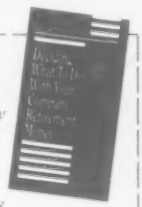

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The auto industry in pain

Company	1990 sales ($bil)	1990 net income per share	Highest annual EPS since 1985	Recent price	Yield
Chrysler	$31	$0.30	$6.25	$10.13	5.9%
Daimler-Benz	57	24.22	35.40	422.53	2.7
Fiat	51	0.63	1.03	4.22	7.0
Ford	98	1.86	10.96	29.88	5.4
General Motors	125	-4.09	7.17	37.13	4.3
Honda	25	0.53	0.70	11.76	0.9
Mazda	13	0.16	0.18	4.26	1.3
Mitsubishi	15	0.14	0.15	5.68	0.9
Nissan	36	0.29	0.29	5.21	2.0
Peugeot	32	36.48	40.63	108.89	3.9
Toyota	60	0.90	0.90	12.00	1.2
Volkswagen	46	22.03	20.38*	213.24	4.8

Sales and net income figures are converted at rate of exchange at fiscal year-end. EPS are converted at average yearly rate of exchange. *VW's 1989 EPS in deutsche marks exceeded 1990 EPS.
Sources: Annual reports; Morgan Stanley; Forbes.

Productivity is the problem?
There's also a structural problem caused in part by the loss of market share. GM factories are designed to build just one car series per line, so the company is perpetually running factories at less than optimum capacity utilization, because they have so many platforms and each plant is dedicated to a single platform. Yes, they are making progress combining platforms, but it takes a long time to get all of that ironed out.

So GM either sells more cars or shrinks.
They probably have a strategy that embodies a bit of both.

As a stock analyst, what are you recommending?
The problem with auto stocks this cycle is that they never got cheap in relation to what the earnings and dividends are likely to be.

I see this as an industry that's going to be troubled for a long time. Plagued by slow growth and competition from the Japanese, who are going to compete in bigger cars and trucks.

We've talked about GM. Ford?
Ford has one big advantage over GM: much higher levels of capacity utilization and productivity. But Ford overestimated the strength of its automobiles, especially in Europe. We can now look back and say part of its record earnings in the late 1980s came from underinvestment in R&D and in product. Now they get a chance to bring out all-new engines in the 1990s, which could give them an advantage because they will have very modern, lightweight engines. But they are paying for underinvestment right now: falling market share.

If you can believe this, Ford has no vice presidents under the age of 50 except Helen Petrauskas [for environmental and safety engineering]. Where are the leaders for the next generation? I can name them in GM. I can even name them in Chrysler. But I can't name them at Ford.

Chrysler? Best shot.
Best shot. With the new stock issue and some asset sales [Chrysler is selling 35 million new shares at 10⅛], Chrysler accesses enough money over the next year, or until the car market turns around, to do the new cars [the midsize LH models coming out in 12 months and the new Jeep next spring]. It bought time. Now it's a question of how successful those cars will be and how fast the economy rebounds. I can't tell you that. But I have to say that from the standpoint of organizational efficiency and management, Chrysler is probably the best run of the U.S. auto companies.

Do the Japanese just keep on gaining?
No. The Nineties are going to be a very painful decade for some of them. For the first time everything is going the wrong way for the Japanese. The U.S. market has become unprofitable, even for the Japanese; the Europeans are saying "not in my backyard"; and the Japanese home market is falling now that the bubble economy has burst.

When Japan's carmakers get in a bind, they just squeeze their suppliers a little harder.
It's hard to squeeze suppliers that have already been squeezed to the wall. And many Japanese auto companies are going to have to pay the price of the cheap-money binge of the late 1980s. Right now they are having to modify some of their investment horizons to repay their debt issues.

If the total North American market doesn't grow much, I can see the Japanese companies reaching above 35% market share. That [extra volume] didn't matter as much to GM, Ford or Chrysler when the Japanese were selling 1.5 million subcompact cars. It matters more that the Japanese are going to sell 1.5 million large and luxury cars that compete against the breadbasket of the American auto companies, or if Toyota actually introduces a large pickup truck as well as continuing to dominate the low end of the market. That's a real threat.

One thing that I think we're going to see is a concerted Japanese effort to improve fuel efficiency, no matter what is legislated by Congress. It's much easier for them; with gas at $4 a gallon, the Japanese consumer is willing to pay for expensive technology to save fuel, so it's a much less risky investment. Now American quality is close to the Japanese. Vehicle size differences are not very great. What can you use in the 1990s to set yourself apart? I think fuel economy is going to be one of the issues.

Are the big U.S. companies doomed?
No, but I'm not sure Wall Street's going to be entranced with the results during the time needed. Remember how long it took to make GM Europe work—a decade. The same thing is going to happen in North America, particularly with GM. ■

Ready to give some money to charity? At this time of year you may be feeling generous. But don't touch that wallet! Before you shell out another dollar, take a look at how your favorite charity spends your money.

Charity checklist

By James Cook

Jean François Rauzier

DESPITE THE media chatter about greed, Americans are generous people. Last year they contributed $123 billion to an endless array of community and charitable activities—health research, art museums, protecting the environment, inhibiting drunk driving. This on top of the huge amounts they contribute to social welfare programs through their taxes.

It's well known that governments are inefficient users of this money, wasting much of it on bureaucracy. How about the private pro bono organizations? How efficient are they? In fact, they vary all over the lot. Most Americans are astonishingly indifferent to how effectively charitable organizations use the money that comes their way. The organizations themselves are no better. As they tend to see it, the righteousness of their cause assures the integrity of their conduct, and anyone who suggests otherwise had better watch out.

With the prime giving season coming up, this list is an attempt to provide a prospective donor with some statistical guidance in assessing the commitment and efficiency of 127 of the U.S.' leading charitable and cultural organizations. The statistics are imperfect, but not so imperfect that they don't throw up some warning signals.

Take the American Heart Disease Prevention Foundation of Fairfax, Va. Only 5% of the nearly $4 million it raised last year went to the programs for which the group was organized. A huge 90% went to the costs of fundraising. This includes 15% in professional fundraising fees, 18% in postage and shipping, and 15% to buy or rent mailing lists.

Direct public support $million	Direct public support as % of total revenue	Organization	Program commitment index* (%)	Fundraising efficiency index† (%)
$288	20%	American National Red Cross[5]	89%	92%
282	79	American Cancer Society (Group)[5]	42	82
214	79	United Jewish Appeal of New York	85	91
176	98	United Way of Tri-State	96	98
153	70	Nature Conservancy	73	88
152	40	Shriners Hospital (National)[5]	95	100
138	98	World Vision Inc[5]	70	79
137	98	Institute of International Education	97	100
136	51	American Heart Association (Group)[5]	79	76
124	88	Campus Crusade for Christ (Intl HQ)[3]	85	92
108	91	Muscular Dystrophy Association	67	79
93	99	United Way Crusade of Mercy (Chicago)	93	95
88	86	Christian Children's Fund	82	88
87	88	March of Dimes Foundation (Group)[5]	53	88
79	40	Metropolitan Museum of Art (NY)	92	98
78	86	American Lebanese-Syrian Associated Charities[5]	79	78
75	89	Jewish Federation Council Greater LA	84	89
73	89	Billy Graham Evangelistic Association	86	95
70	112[4]	Covenant House (National)[5]	23	78
64	67	Rotary Foundation of Rotary International	87	90
63	39	Christian Broadcasting Network	77	76
61	97	United Way National Capital Area	91	93
58	96	United Way Southeastern Michigan	90	93
55	53	Educational Broadcasting Corp	75	74
55	84	Disabled American Veterans[5]	70	65
53	98	United Way Southeastern Pennsylvania	2	93
52	57	Lincoln Center for the Performing Arts	89	98
50	44	Metropolitan Opera Association	88	84
46	94	Mothers Against Drunk Driving	70	75
42	86	United Negro College Fund	75	78

*Program services as a percent of total expenses. †Percent of direct public support remaining after fundraising. [1]Fiscal 1989. [2]Fiscal 1991. [3]Data from financial report. [4]Exceeds 100 because of accounting for extraordinary loss. [5]Unconsolidated data of national and affiliated groups may skew results. [6]Does not include organizations with no fundraising costs.

Direct public support $million	as % of total revenue	Organization	Program commitment index* (%)	Fundraising efficiency index† (%)
$41	46%	Save the Children Federation	84%	83%
41	62	Jewish Communal Fund of New York	99	100
38	17	Catholic Relief Services	92	87
35	76	Project Hope (People-to-People Health Fndn)	90	93
35	80	Greenpeace USA[1,5]	55	74
33	20	New York Public Library	89	86
32	79	Compassion International	84	89
32	93	Jewish Welfare Federation	88	91
31	11	CARE	92	59
30	75	National Merit Scholarship Corp	97	98
30	77	Combined Jewish Philanthropies (Boston)	83	94
29	68	Jewish Community Federation of Cleveland	87	94
28	11	Smithsonian Institution	96	87
28	91	Foster Parents (Plan International USA)[5]	76	84
25	24	WGBH Educational Foundation	79	71
24	37	March of Dimes Foundation (National)[5]	65	64
23	21	Art Institute of Chicago	67	86
23	57	Father Flanagan's Boys Home[5]	82	72
23	51	Planned Parenthood Federation of America[5]	64	72
22	78	American Friends Service Committee	75	88
22	47	United States Olympic Committee	80	75
22	82	Music Center of LA County[5]	87	91
22	84	North Shore Animal League	64	67
22	78	The Associated Jewish (Baltimore)[5]	92	93
21	37	City of Hope	75	75
21	73	United States Committee for UNICEF[5]	13	75
20	91	Statue of Liberty-Ellis Island Foundation	85	85
20	32	John F Kennedy Center	70	86
20	99	Amnesty International of the USA	66	71
18	36	Cystic Fibrosis Foundation (Group)[1,5]	30	89
17	84	Trust For Public Land	83	96
17	29	Museum of Modern Art (NY)	85	94
17	15	The New York Community Trust	87	98
16	51	Leukemia Society of America (Group)[5]	43	81
16	83	St Labre Indian School[2,3]	73	84
16	21	Museum of Fine Arts (Boston)	44	95
16	20	National Wildlife Federation[5]	86	70
15	19	National Gallery of Art	59	96
13	35	National Audubon Society[5]	72	78
13	42	Arthritis Foundation (National)[5]	69	75
13	87	Environmental Defense Fund	78	80
12	16	National Benevolent Association (Disciples)	89	74
12	42	Special Olympics International[5]	70	69
12	97	Oxfam-America	76	83
11	20	New York Zoological Society	90	78
11	16	Colonial Williamsburg Foundation[1]	71	79
11	29	Sierra Club[5]	66	54
10	16	American Museum of Natural History	83	91
10	97	American Civil Liberties Union Inc[1,5]	22	84
9	78	American Civil Liberties Union Foundation[1,5]	71	93

*Program services as a percent of total expenses. †Percent of direct public support remaining after fundraising. [1]1989 fiscal. [2]1991 fiscal. [3]Data from financial report. [4]Exceeds 100 because of accounting for extraordinary loss. [5]Unconsolidated data of national and affiliated groups may skew results. [6]Does not include organizations with no fundraising costs.

Most Americans are astonishingly indifferent to how effectively charitable organizations use the money that comes their way. The organizations themselves are no better. As they tend to see it, the righteousness of their cause assures the integrity of their conduct.

Our point is this: Since you probably have only a finite amount of money to give to worthy causes, you ought to know which among them will use your money most effectively. Hence these tables.

If you feel you need to know more, there are two organizations that were created to assess charitable management: the Council of Better Business Bureaus' Philanthropic Advisory Service in Arlington, Va. and the National Charities Information Bureau in New York City.

Arranged in order of revenues directly supplied by the general public, the FORBES list provides two basic indexes. The first is a Program Commitment Index: How much of the total funds that an organization spends, including funds from various other sources, goes to doing the job for which the organization was created. So a prospective donor may ask, how come the American Cancer Society (Group) commits only 42% of its spending to program services? Why does the Leukemia Society of America (Group) commit only 43% or Covenant House 23%?

There may be reasons for a low commitment ratio, not the least of which is that affiliated groups may be kicking funds up to the national organization, as the Cancer Society's local affiliates are. Or, vice versa, the national organization may be fundraising for its groups, as in the case of the American Diabetes Association (National). Such special cases aside, the Philanthropic Advisory Service considers 50% as an absolute minimum acceptable ratio of commitment to total receipts.

The second measure is an Efficiency Index: How much of the funds raised from the general public are

Direct public support $million	as % of total revenue	Organization	Program commitment index* (%)	Fundraising efficiency index† (%)
$9	61%	Boys & Girls Clubs of America (National)[5]	76%	83%
9	30	National Multiple Sclerosis Society[5]	69	59
9	29	Lighthouse (NY Association for the Blind)	86	86
9	83	Epilepsy Foundation of America	66	70
9	47	ASPCA	60	60
9	23	International Rescue Committee	93	90
9	33	Shriners' Hospital (Mass)[5]	100	100
8	61	Whitney Museum	78	90
8	32	Orange County Center (Performing Arts)[1]	65	83
8	27	Philharmonic-Symphony Society of NY	79	85
8	22	Population Council	88	98
8	48	Toledo Museum of Art (Ohio)	74	90
7	10	Zoological Society of San Diego[1]	72	89
7	28	Museum Associates (LA)	74	96
7	85	American Foundation for Aids Research	86	88
7	10	Children's Television Workshop	86	94
6	71	Sierra Club Legal Defense[5]	70	77
6	8	American Heart Association (National)[5]	86	45
6	37	United Service Organizations (World HQ)[1,5]	78	74
6	25	National Urban League	78	88
6	89	NAACP (Special Contributions Fund)	78	83
6	5	Legal Aid Society of New York	95	93
6	93	Sierra Club Foundation[5]	76	88
5	20	Museum of Science and Industry[1]	50	88
5	32	National 4-H Council[2]	82	88
5	48	YWCA of the USA National Board[5]	79	92
5	26	Walker Art Center	56	90
5	20	Field Museum of Natural History	67	53
5	24	New York Shakespeare Festival	82	87
4	16	American Diabetes Association (National)[5]	64	38
4	6	Guideposts Associates	92	50
4	28	MSPCA (Mass)	81	78
4	13	Children's Aid Society	89	85
4	5	Boy Scouts of America[5]	80	97
4	37	National Easter Seal Society[5]	84	76
4	11	United Way of America[5]	90	94
4	100	American Heart Disease Prevention Foundation	5	10
3	3	Devereux Foundation	92	85
3	35	Huntington Library & Art Gallery	79	89
3	21	United Charities (Chicago)	81	88
3	40	Helen Keller International	77	84
3	97	Friends of the Earth (Environmental Policy Inst)	84	91
3	56	Runyon-Winchell Cancer Research Fund	84	84
3	39	National Kidney Foundation[5]	88	87
2	4	Jewish Board Family and Children's Svcs	88	73
2	31	NAACP (National)[5]	81	90
2	6	Cystic Fibrosis Foundation (HQ)[1,5]	77	-39
4,497	—	Average[6]	76	82

*Program services as a percent of total expenses. †Percent of direct public support remaining after fundraising.
[1]1989 fiscal. [2]1991 fiscal. [3]Data from financial report. [4]Exceeds 100 because of accounting for extraordinary loss.
[5]Unconsolidated data of national and affiliated groups may skew results. [6]Does not include organizations with no fundraising costs.

How much money goes to fundraising? Take the American Heart Disease Prevention Foundation, for instance. Only 5% of the $4 million it raised last year went to the programs for which the group was organized. A huge 90% went to the costs of fundraising.

available for the organization's general purposes. By this measure, the American Heart Disease Prevention Foundation may be the worst, but it has some strong competition. Last year, after recovering its fundraising costs, the American Diabetes Association (National) had only 38 cents left out of every dollar. These low scores contrast with the group's average of 82 cents.

The indexes have their limitations. Because Cystic Fibrosis Foundation headquarters fundraises for its affiliates, for example, it spends more on fundraising than is received in direct public support, yielding a negative index. For organizations that depend heavily on government or other revenue sources—the American National Red Cross, say, or CARE—what it costs them to raise money from the general public is not the whole story. On the other hand, a few organizations seem to have no fundraising costs at all—the Shriners Hospitals, for instance—because their fundraising costs are handled on their behalf by their member affiliates.

Many large organizations do not appear on the list at all—some religious organizations, which are not required to report to the Internal Revenue Service, decentralized organizations such as the YMCA that do not consolidate their affiliated member organizations.

The statistical base of this survey is the Form 990 financial statements that tax-exempt organizations filed with the Internal Revenue Service for fiscal 1990 (unless otherwise noted), and which are no more reliable or consistent than the organizations that filed them.

The list was compiled by Reporter Brigid McMenamin. ■

THE FORBES/BARRA WALL STREET REVIEW

BY ERIC S. HARDY

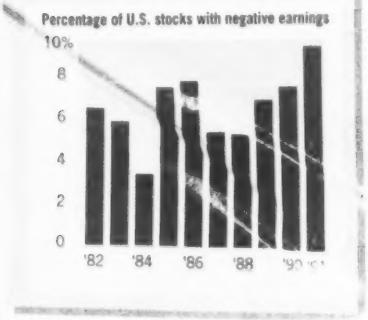
In today's richly priced market, investors have avidly bought stocks of industries that would benefit from an economic recovery. During the past two weeks railroads and trucking were among the best-performing industry factors, according to Barra.

To reflect a more complex economy, Barra does not divide stocks into traditional industry groups. Rather, it uses regression analysis to ascribe each stock's performance to one or more industry factors. That is, stock prices of companies with some or all of their revenues from railroading behaved as if investors were bullish on an underlying "railroadishness" factor.

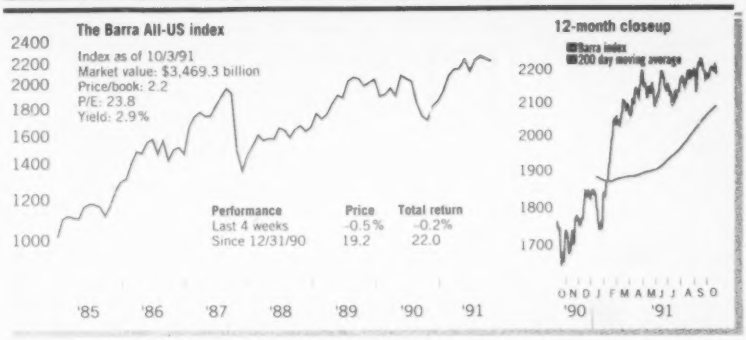
Railroads will reap the rewards of the cost-cutting they undertook during the recession, says Donaldson, Lufkin & Jenrette analyst Joel Price. George Morris of Prescott, Ball & Turben agrees, and adds that railroads should benefit from increased hauling of Russia-bound grain.

Special focus

Just how expensive is the market? The classic P/E formula omits all companies with negative or negligible earnings. By that formula, the average stock costs 16 times earnings. But Barra says it's not hard to get the moneylosers back into the equation: Just add up the market valuations of all publicly traded stocks and compare the total with the sum of all earnings, whether positive or negative. Including the moneylosers, the Barra trailing 12-month P/E is 24. This refinement is particularly relevant now that a large fraction of stocks are in the red.



The overall market



Closeup on the market

Index or investment	2-week change	% change from 1 year	% change from 5-year high
Barra All-US index	-0.6%	25.5%	-2.3%
Sharpe/Barra Growth index[1]	-0.8	31.5	-2.9
Sharpe/Barra Value index[2]	-0.8	24.7	-2.5
Dow Jones industrials	-1.3	18.6	-2.3
S&P 500	-0.8	23.0	-3.1
NYSE	-0.5	23.6	-2.5
Nasdaq	-0.4	48.8	-1.5
Amex	1.2	21.1	-6.0
EAFE[3]	4.8	14.2	-16.6
CRB index[4,5]	-0.1	-9.7	-20.5
Gold[5]	2.6	-9.1	-28.9
Yen[5]	-2.8	-2.3	-20.4
Oil[5]	4.1	-38.7	-45.0

The best and worst performing stocks[6]

Best	Price	2-week change	1991 EPS[7]	Worst	Price	2-week change	1991 EPS[7]
Global Natural Resources	9 1/4	37%	$0.26	Medical Imaging Centers	5 1/8	-47%	$0.80
Video Lottery Technology	28	35	0.55	Comm Psychiatric Centers	15 5/8	-43	2.01
GEA	53 1/2	33	1.75	KnowledgeWare	13	-40	1.63*
Oracle Systems	14 1/8	30	0.38	RasterOps	14 7/8	-36	1.47*
HBO & Company	7 5/8	27	0.09	Cascade International	5 1/4	-33	0.58

The best and worst performing industry factors[6,8]

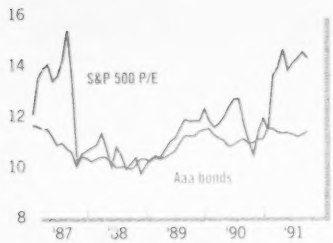
Best	2-week change	Since 12/31/90	Worst	2-week change	Since 12/31/90
Railroads, transit	6.6%	44.8%	Aluminum	-7.0%	0.7%
[illegible]cious metals	5.8	-17.5	Iron and steel	-5.7	11.8
Truck[illegible], freight	5.2	26.1	Thrifts	-5.1	15.8
Media	3.7	11.9	Food retailing	-5.0	4.0
Electric utilities	3.1	22.7	Real estate	-4.6	17.5

Note: Data for period ending 10/3/91. The Barra All-US index consists of all publicly traded common stocks for which price quotations are available and ordinary shares of foreign stocks trading on U.S. markets. ADRs, REITs and closed-end funds are excluded. [1] Total return of a portfolio of more than 150 large-capitalization stocks that has high historical earnings growth and has predicted above average earnings growth. [2] Total return of a portfolio of more than 300 large-capitalization stocks characterized by low price-to-book ratios, high yields and low price-to-earnings ratios. [3] A dollar-denominated capitalization-weighted index of more than 1,000 stocks from Europe, Australia, New Zealand and the Far East. Source: Morgan Stanley Capital International Perspective. [4] Index of 21 commodity futures. [5] Knight-Ridder Financial Information. [6] During the last two weeks. [7] Estimate. Source: Institutional Brokers Estimate System, from Lynch, Jones & Ryan. [8] Shows return to the industry factor after controlling for other influences including company size, value and growth characteristics. Multi-industry firms have proportional contributions in two or more groups. *1992 estimate. Principal source: Barra, Inc., Berkeley, Calif.

WHAT THE ANALYSTS THINK

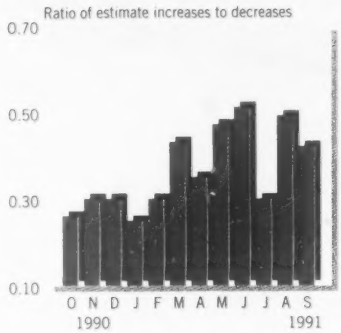
BY STEVEN RAMOS

S&P 500 P/E* vs. Aaa bonds†



*S&P 500 P/E is the recent price of the S&P 500 divided by estimated earnings over the next 12 months. †Projected price-to-coupon ratio for Moody's Aaa corporate bond index.

S&P 500 companies



Forecasting the S&P 500

Year	Estimated P/E	% change current vs. 3 months ago	Expected year-to-year EPS growth
1990	16.2	NA	–7%
1991	15.5	–4%	–5
1992	13.1	–2	29

1991 estimates for industry groups

Rising estimates	Falling estimates
furniture-apparel	airlines
containers	automobiles
auto parts	steel
housewares	electronics/semi-con
shoes	metals

Earnings estimates are often wide of the mark on individual companies, but their overall trend can signal when the market is moving into dangerous territory. That seems to be where the market is now. The graph on the top left shows the relationship between the estimated P/E on the S&P 500 and the projected price-to-coupon ratio for Moody's Aaa corporate bonds. In August the spread widened to 29%. That means equity holders are willing to pay 1.29 times as much as bondholders for each dollar of income, betting in essence that appreciation of the underlying equity will more than make up the difference. But that's a big gap. The last time the spread exceeded 30% was August 1987, just before the Oct. 19 crash. Moreover, analysts are expecting the S&P 500 to show a 5% decline in earnings in 1991, and the pace of estimate-slashing picked up again in September.

"We have been saying since April that investors should pull some of their chips off the table and not be so active in the equity markets," says Richard Pucci, a vice president of the Institutional Brokers Estimate Service.

Who's hot

Greatest increase in estimates over the past three months

Company/industry	1990 EPS	1991 estimate recent	1991 estimate 3-month change	P/E	3-month price change	Reason
Alex Brown/securities brokerage	$0.50	$2.22	51%	9	28%	Higher commission revenues and underwriting fees
Louisiana Pacific/forest prods	2.46	1.84	47	22	–5	Increased lumber shipments and stronger pricing
American President/maritime	–3.46	1.85	43	19	24	Improved volume and higher shipping rates
Whirlpool/household appliances	1.04	2.34	39	15	11	Strong performance from Brazilian operations
Affiliated Bankshares Col/banking	0.86	1.52	30	15	28	Higher net interest revenue and lower loan loss reserves

Who's not

Greatest decrease in estimates over the past three months

Company/industry	1990 EPS	1991 estimate recent	1991 estimate 3-month change	P/E	3-month price change	Reason
Cadence Design Sys/software	$1.19	$0.56	–54%	31	–6%	Slowdown in orders
Amax/metals	2.58	0.75	–51	26	–20	Lower aluminum prices
Citicorp/banking	0.57	0.60	–50	25	8	Higher loan chargeoffs and poor credit quality
Timken/machinery	1.85	0.66	–49	40	–2	Lower production volume
Pyramid Technology/computers	1.61	0.89	–48	19	–9	Rising dollar and slowdown in orders from computer dealers

Note: Companies listed have a market capitalization of $100 million or more. Earnings projections are Wall Street consensus estimates data from 3,000 security analysts compiled by the Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan Investment Services. Aaa bond yield forecasts supplied by Blue Chip Economic Advisors. NA: Not available.

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